



**NEWS RELEASE  
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**Chamber calls for a ‘back to basics’ approach in the 2010 provincial budget**

(Calgary, AB) – The Calgary Chamber of Commerce urged focus on key fiscal and competitiveness measures that are fundamental to Alberta’s success, as part of provincial pre-budget recommendations submitted to Alberta’s Minister of Finance today.

“Calgary’s business community is clearly concerned with deficits and the possibility of returning to a position of long-term debt,” said Heather Douglas, President & CEO of the Calgary Chamber of Commerce. “The rapid deterioration of Alberta’s fiscal position from surpluses to deficits once again indicates the challenge with relying heavily on non-renewable resource revenues for budgetary purposes.”

The Chamber has suggested a series of ‘back to basics’ priority action areas to place the province on the road to prosperity.

“It starts with smart spending decisions and getting the best value for money,” commented Douglas. “Alberta requires adherence to a fiscal target that limits spending increases.”

The Chamber has long recommended curtailing spending increases to key economic measures. It has recommended a ‘smart spending bandwidth’; one that limits annual spending by targeting increases within a range delimited by population and inflation growth, and real GDP and inflation growth. For 2010-11 the upper limit is 3.5 per cent.

Calgary’s business community recognizes the link between managing health care spending and delivery and controlling overall spending, the top provincial priority in a pre-budget survey of membership. Health care spending is estimated at 34 per cent in the 2009-10 provincial budget, the largest budgetary item. The Chamber has recommended a larger role for private industry in a publicly funded system to encourage efficiencies, enhance productivity and foster innovation.

Part of the ‘back to basics’ approach also prioritizes the oil & gas industry investment competitiveness study and sets the goal to make Alberta the most competitive jurisdiction for energy investment in North America.

“We’ve lost track of what makes Alberta so successful,” remarked Douglas. “In a world where capital can be deployed anywhere, the province must have the most competitive fiscal and regulatory oil & gas regime to maximize the potential of our resource endowment.”

Competitiveness of Alberta’s tax system is also an important component.

“While Alberta still has an enviable tax system in Canada,” said Douglas. “Other provinces recognize that a competitive tax system leads to business growth and new jobs and are making changes to close the gap.”



The Chamber recommended a particular focus on personal taxation, where single Albertans earning up to \$85,000 are better off in B.C. and Ontario. To improve tax competitiveness, the Chamber suggested that government increase the basic personal exemption from \$16,775 to \$20,000 or reduce the current flat tax rate from 10 per cent to 9 per cent.

The final element involves gradually reducing reliance on non-renewable resource revenues. The province is forecasting \$5.56 billion in total resource revenues for 2009-10, representing a 55 per cent reduction from 2008-09 resource revenues of \$12.3 billion.

“The volatility of commodity prices makes the dependence on resource revenue to fund program spending a risky proposition,” remarked Douglas. “The last few years are a perfect example of how much fluctuation is possible. We need to slowly reduce our reliance through disciplined spending and resource revenue savings.”

The Chamber’s pre-budget submission also offers fiscal targets regarding capital borrowing, provincial deficits, and Sustainability Fund withdrawals.

The submission is available at the Chamber’s website: [www.calgarychamber.com](http://www.calgarychamber.com)

### **About the Chamber**

The Calgary Chamber of Commerce is a member-driven, sustainable organization whose mission is to connect, serve and champion the Calgary business community in its quest to excel.

The Public & Government Affairs Department measurably contributes to the Chamber's profile and effectiveness. We are the leading edge business advocate and forum for debate, and a credible source for policy analysis and issue commentary. We advocate new and innovative solutions to improve the business climate on behalf of our members.

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For more information, please contact:

Elizabeth Leitch  
Communications Manager  
The Calgary Chamber of Commerce  
403-750-0424  
[eleitch@calgarychamber.com](mailto:eleitch@calgarychamber.com)