



**Calgary
Chamber**

2019 Alberta Election Platform

**Businesses Drive
Cities that Thrive**

Executive Summary

January 2019



Business friendly policies are key to building community vibrancy

Plastered along the sides of rink boards across any local prairie hockey arena is clear evidence of the importance of commerce to community vibrancy. Whether it is big business sponsorship in NHL arenas or small business support of a local novice team, business is at the centre of healthy communities.

We create jobs, pay taxes, invest in the province and give back to our communities. As businesses prosper so do communities and households. Much of the reason this relationship between commerce and community has worked especially well in Alberta is because historically governments largely provided the conditions to enable business risks to be rewarded.

However, due to actions of successive governments, business competitiveness has eroded, and investors see Alberta as too risky. This must change. In our 2019 Provincial Election Policy Platform, the Calgary Chamber has identified five key areas the next provincial government must address to build a better business environment because **businesses drive cities that thrive.**

1. Create stability through fiscal responsibility

The Alberta government's use of royalty revenue has created fiscal policies that are not sustainable. Successive governments failed to put forward a long-term path towards fiscal stability. This has resulted in multiple credit downgrades, accumulating debt and expensive debt servicing. Rising debt and deficits lower investor confidence and expose businesses and taxpayers to the risk governments will raise taxes to generate revenue. To stabilize the fiscal situation, the next provincial government must lay-out a long-term fiscal action plan for the province.

Recommendations:

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

2. Drive productivity through regulatory and tax reform

The regulatory environment has become a challenge for businesses in Alberta. Inefficient regulations impact Alberta businesses' ability to get things done and create employment. Alberta's corporate income tax rate is no longer among the most competitive in Canada, and we are becoming less competitive globally. Together, these issues are hurting Alberta's investment climate.

Recommendations:

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.
3. Initiate 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 to include all sectors and making it a permanent part of the tax code.

3. Support growth through internal trade and access to markets

Policymakers must continue to promote international cooperation and seek new markets for Canadian businesses abroad. The next government will have its greatest influence addressing the many barriers deterring trade at home. Along with internal trade barriers, a lack of market access across many sectors has limited Alberta businesses from getting their products to foreign markets.

Additionally, the inability to move major energy projects to market has resulted in extreme measures from governments to nationalize midstream energy infrastructure and intervene in free markets. These cause uncertainty and cost the Alberta government billions of dollars in expenditures and potential tax revenue.

Recommendations:

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 (CFTA) to increase trade and remove non-tariff barriers.
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.

4. Increase certainty through good governance and accountability

We have seen provincial governments create uncertainty when they do not honour agreements or comply with contracts. We have also seen all levels of government layer costs on business through policy development and a lack of consultation when considering legislative changes. If we want to attract significant and long-term business investments, it is crucial for governments to make it clear to business that contracts and agreements will be followed. Further, sound environmental policies must support business competitiveness and innovation.



Recommendations:

6. Respect the rule of law and honour contracts that have been signed and increase business confidence in the process.
7. Provide reasonable time for consultation before implementing new policies, with appropriate implementation timeframes for businesses and the marketplace to adjust.
8. Ensure climate policy promotes business competitiveness while also working to support innovative technologies and helping to achieve our environmental objectives.

5. Prepare for the future by developing and retaining a skilled workforce

There is a mismatch between the skills being obtained by our workforce and the skills needed by business. Alberta businesses are struggling to find the right people, with the right skills, that they need to grow. Ironically, this is occurring at a time when Calgary's unemployment rate is among the highest in Canada. There are also barriers limiting Alberta's ability to develop and attract skilled workers, then subsequently retain the talent once it has been developed.

Recommendations:

9. Work with industry to identify and address skills gaps that currently exist. This should include:
 - a. Eliminating unnecessary barriers to access and promote the availability of job training programs like the Canada-Alberta Job Grant and the Summer Temporary Employment Programs to help workers develop the skills needed to increase productivity in the workforce.
 - b. Facilitating accountable partnerships between business and post-secondary institutions to ensure that we are teaching the right skills to the workforce of the future.

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