

## **Budget shows Alberta turning the corner to a more balanced future**

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ALBERTA – Budget 2020 is a continuation of the course mapped out four months ago. It contains few major new initiatives on either the revenue or the expenditure side, but is clearly focused on building a strong economy, creating jobs, attracting investment while maintaining a credible path to fiscal balance.

### *Summary Points:*

- *Remains committed to creating a model business environment*
- *Broadens vision for Alberta's future including energy, innovation, agriculture and more*
- *Reasonable economic policies keep Alberta on a path to fiscal balance*

*“Budgets are more than dollars and cents; they are policy signals as well. This budget signals an increased focus on the breadth of Alberta jobs and industries. It shows a government looking to advance the economy, but with very few new programs or spending. Effectively, this is a ‘do more with less’ budget, and that isn’t a bad thing,”* says Mike Holden, VP Policy and Chief Economist of the Business Council of Alberta.

### **Business Environment**

The Council is pleased to see the budget reflect good economic policy to create a model business environment, including a competitive tax environment and focus on reducing red tape. While it will take time to fully realize the impact, the Council is confident that these steps will have a positive effect on the labour market in Alberta and provide economic opportunity for many Albertans.

*“We anticipate total employment and non-residential investment – both energy and non-energy – increasing in 2020,”* says Holden. *“The Alberta government is doing its part to make Alberta an easier place to do business. It will have the most competitive tax jurisdiction in Canada and be competitive with most of the best in the US.”*

### **Planning Alberta's Future**

The Council advocates for planning Alberta's future on purpose. Through a focus on a broad number of Alberta sectors, this budget shows policy support for traditional strengths like energy, agriculture, and forestry, as well as emerging strengths like innovation, financial services, and aerospace. This positive rhetoric will need to be backed up with action.

Programs to attract the most talented high-tech entrepreneurs from abroad, and the potential of a new agency to promote Alberta's exports to the world are welcome initiatives that will allow us to reach beyond our borders.

Retaining ongoing investments in areas of Alberta excellence including artificial intelligence and quantum computing are essential for the future.

**People**

When it comes to vulnerable people in Alberta, a key missed opportunity is the failure to re-index disability programs, such as Assured Income for the Severely Handicapped (AISH).

“Ensuring disability benefits adjust with inflation would cost around \$35 million, or less than one tenth of 1% of the provincial budget. Effectively this would have little impact on provincial finances but make a serious impact in the lives of vulnerable people in Alberta,” says Holden.

**Fiscal Sustainability and Balance**

Budget 2019 focused on creating a path to a fiscally balanced future, and Budget 2020 remains committed to that purpose, further focusing on spending restraint while broadly growing the economy, creating a strong business environment, and continuing to deliver high-quality services at a reasonable cost.

“In Alberta, in recent years, throwing more money at a problem hasn’t proven to be a particularly effective strategy. This budget keeps spending flat in most areas and allows revenues to grow over time. This is a prudent level of restraint given the economic environment and sets the stage for increased efficiency,” says Holden.

**Youth Unemployment**

Youth unemployment remains high, and the labour participation rate, particularly among young men, remains at historic lows. Left unaddressed, persistent high youth unemployment could have negative impacts that include lost job experience and economic opportunity and could also result in more serious social problems including disengagement, higher crime and suicide rates.

“Looking forward, it will be essential to plan and invest in programs that train and up-skill Alberta’s unemployed, underemployed or low-skilled youth, lest we risk more serious economic and social problems from taking root and impacting our future prosperity,” says Holden. “In our interactions with the government, we see a clear appetite to address these issues, and in ways that don’t have to cost a lot.”

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For more information or to schedule an interview, please contact Scott Crockatt, Vice President, Communications and External Relations at 403-681-5529 or [scrockatt@businsscouncilab.com](mailto:scrockatt@businsscouncilab.com).

**About the Business Council of Alberta**

The Business Council of Alberta is a non-partisan, non-profit organization dedicated to building a better Alberta within a more dynamic Canada. Composed of the chief executives and leading entrepreneurs of the province's largest enterprises, Council members are proud to represent the majority of Alberta's private sector investment, job creation, exports and research and development. The Council is committed to working with leaders and stakeholders across Alberta in proposing bold and innovative public policy solutions and initiatives that will make life better for Albertans.