



LETHBRIDGE
CHAMBER of COMMERCE®

News Release

New Budget delivers on local commitments, but lacks infrastructure spending for Southern Alberta, and raises concerns about the future.

FOR IMMEDIATE RELEASE – Friday, March 17, 2017

Lethbridge, Alberta – In the wake of yesterday’s provincial budget, the Lethbridge Chamber of Commerce is expressing concern the growing provincial debt, specifically that there is no plan in place to get us back to balanced budgets. While the deficit for 2016-17 is estimated at \$10.8 billion, this year the government of Alberta appears to have found some savings that would lower the 2017-18 deficit by half a billion dollars to \$10.3 billion. However, with our current provincial debt headed for \$45 billion in the coming year, economists predict that we’re well on our way to \$71 billion by 2019-20.

What does this mean? We’re headed back to debt levels that the province hasn’t seen since the late 80’s.

“While the current government can’t be blamed for the economic crisis that they inherited and the collapse of commodity prices, it’s very troubling that every year the debt continues to climb by billions of dollars without any clear path back to balanced books,” said Harry Gross, President of the Chamber of Commerce. *“This province needs a realistic plan to return to balanced budgets that doesn’t involve hoping for a return to high oil prices.”*

In the short term there’s some good things in this budget for Southern Alberta. The government has continued to uphold its commitments to several large-scale infrastructure projects in our region, including the Destination Project at the University of Lethbridge, the Trades and Technologies Facility at the Lethbridge College, and continued project funding for the Chinook Regional Hospital. Additionally, there’s funding for a range of new projects and services including a new school, funding to support the new Cavendish Farms Expansion, commitments to help provide clean drinking water on local reserves, and funding for more affordable housing projects.

“The business community is also happy that the government maintained the small business tax at 2%,” said Gross. *“With the costs from minimum wage increases and the Carbon Levy, businesses need all the help they can get to stay competitive.”*

The Chamber was also encouraged by the government’s commitment to maintaining the investment tax credits that were created last year.

The Chamber would have like to see room in this budget for investment into Southern Alberta's transportation infrastructure. Karla Pynch, the Executive Director of the Lethbridge Chamber of Commerce, explains:

"Our region is in a position to really grow. Both the Federal and Provincial governments are looking for ways to diversify our economy so that we are less reliant on commodity prices in the future. Our region can be a global leader in agri-food production, but we need our governments to invest now into better roads, rail, and air infrastructure so that producers can get their products to new markets, faster and cheaper. If we can do that, it will drive growth in our whole region and benefit everyone. We're going to continue to advocate for this going forward."

Alberta needs to come to terms with the fact that we've got a spending problem, made worse by a decade of good times and high royalties.

"We don't know if or when we will see a return to high oil prices," said Gross. "The business community would rather see the government assume that today's oil and gas prices may be the norm for future years rather than continuing down the current path in the hopes that things will sort themselves out if they hang in there."

For more information, contact Peter Casurella by telephone at 403-849-7225 or by email at policy@lethbridgechamber.com.

The Lethbridge Chamber of Commerce

The Lethbridge Chamber of Commerce is *The Voice of Business*, promoting and enhancing a healthy economic and social environment in our region by serving the interests of business. We represent over 750 businesses and over 10,000 employees in the Lethbridge area.

For more information on this initiative, please contact Peter Casurella at 403-327-1586 or by emailing policy@lethbridgechamber.com