

## #1 Fiscal Prudence and Sustainability



### Maintain operational spending growth to the growth of population plus inflation

Inflation plus population for 2016-17 is estimated to be 2.70%. Operational spending grew by 2.38% relative to last year's budget, but measured against actual spending that number jumped to 3.58%. Operational spending growth is projected to be 4.94% next year 4.38% in 2018-19.



### Borrow Responsibly

The Government will borrow \$14.15B for 2016-17, of which \$5.37B will be to cover operational spending. It will borrow \$19.85B (\$8.42B for operational spending) in 2017-18 and another \$16.59B (\$6.88B for operational spending) in 2018-19.



### Provide predictable funding for municipal infrastructure needs

Capital grants to municipalities for capital works remain consistent with prior years. Funding models may change with new Municipal Government Act legislation expected this spring.

## #2 Evidence-Based Decision Making that Minimizes Costs to Business and Government



### Continue Results-Based Budgeting Practices

Review of agencies, boards and commissions resulted in a savings of \$33 million. Most departments underwent a performance review. Health and Education spending (56% of the budget) was categorically exempt from review.



### Proactively Design and Implement Policy

The new Carbon Levy will significantly increase the costs of doing business. The budget does not provide estimates of the impacts of these costs. Moreover, the reduction in small business taxes will not adequately compensate most businesses for these cost increases.



### Consolidate the provincial and federal corporate income tax administration

Finance Minister Joe Ceci has engaged ACC to discuss corporate tax administration. ACC will review its position following further discussion.



### Reduce Taxation When Fiscally Able to Do So

Small business tax was reduced from 3% to 2%. Given an operating deficit of \$10.4B and the scope of borrowing, the fiscal capacity remains in question.

## 2016-17 Alberta Budget Score Card

The Alberta Government has released Budget 2016-17: *Alberta Jobs Plan*. As they attempt to balance their mandate with the realities of low oil prices and an economic recession, the Government is making some critical decisions on the future of Alberta's finances.

This winter, the Alberta Chambers of Commerce presented a budget roadmap with 4 priority themes for the Province to consider when crafting this fiscal plan. Here, we've scored the budget against our recommendations to see if and how this Government has listened to their constituents.

## #3 Apply Best Practices in Service Delivery and Capital Projects



### Consider New and Innovative Procurement Practices

The Government has not yet implemented alternative procurement practices but has indicated a commitment to review its procurement policies.

## #4 Invest with a Long Term View and Track Performance



### Encourage Economic Diversification

The Government will spend \$250 million over the next 2 years as part of its *Jobs, Investment and Diversification* initiative. This will include \$75 million for a new Capital Investment Tax Credit for targeted sectors and \$10 million to support regional economic development initiatives. Details on these new initiatives have not been released.



### Introduce an Alberta Investor Tax Credit

The Government dedicated \$90 million over the next 2 years towards a new Alberta Investor Tax Credit. This new program will be a part of its *Jobs, Investment and Diversification* initiative and will focus on SMEs in Alberta. Details on this new initiative have not been released.



### Invest in our Workforce

The *Jobs, Investment and Diversification* initiative includes \$25 million for apprenticeship and training, including \$10 million to provide occupationally focused training opportunities.