

Alberta Budget 2021

High level summary

On February 25, the Province released its [2021 budget](#) with three main focus areas: **health** with pandemic response and vaccines as main priorities; **economic development** with investments in key sector strategies; and **spending restraint**. Financial highlights include:

- \$23 billion on health care and additional \$1.25 billion specifically to fight the pandemic
- \$8.2 billion operating expense for K-12 education services
- \$6.4 billion operating expense for social services ministries
- \$136 million over 3 years for the Alberta Jobs Now program
- \$166 million over 3 years for the Innovation Employment Grant
- \$500 million in 2021–22 for additional investments in economic recovery

Budget 2021 will provide funding for sector strategies to “ensure Albertans have a competitive edge as economies re-open, growth re-starts, and opportunities re-appear.” In 2021-22, \$3.1 billion will be dedicated to support economic recovery and sector strategies*, including:

- Technology and Innovation Strategy
- Tourism Recovery Plan
- Aviation, Aerospace and Logistics Strategy
- Pharmaceuticals and Life Sciences Strategy
- Energy Strategies
- **Finance and Financial Technology Strategy**
- Agriculture Strategy
- Other Recovery Initiatives and Strategies: Labour & Talent; Manufacturing; Investment & Growth

**details of these sector strategies and investments are listed below under Appendix.*

Government’s 2021-24 Fiscal Plan: [link](#)

- Plan is based on Alberta’s economy (measured by real GDP) partially rebounding by 4.8% in 2021 and the economy reaching pre-COVID levels in 2022.
- Provincial revenue is projected to be \$43.7 billion in 2021-22, an increase of 3.3% from the forecast for 2020-21.
- In 2021–22, operating expense is \$1 billion higher than 2020–21 forecast and begins to normalize, remaining relatively flat over the next 2 years.

- \$18.2 billion deficit is targeted for 2021–22, \$2 billion less than the 2020–21 forecast. \$11 billion and \$8 billion deficits are targeted for 2022–23 and 2023–24 respectively.

Next steps for the Government

With the budget dropped, elected officials now move into constituency week. The Legislative sitting will resume March 8 for budget deliberations and then move into debate on the following new bills:

- **Bill 49, Labour Mobility Act:** Likely to be similar to Manitoban legislation and BC's *New West Partnership Trade Agreement*, and to allow for out-of-province certifications and accreditations from regulatory bodies to be recognized by local regulatory bodies to bring in more workers.
- **Bill 51, Citizen Initiative Act:** Expected to create provisions that will allow members of the general public to submit referendum questions of provincial importance onto a ballot.
- **Bill 52, Recall Act:** To follow legislation that exists in BC (40% of voters) to sign a recall petition. Alberta's version is expected to include municipal politicians and school board members.
- **Bill 53, Service Alberta Statutes Amendment Act:** A Ministerial Order permitted corporations and societies to hold virtual meetings (pandemic). Those changes could become permanent.
- **Bill 54, Irrigation Districts Amendment Act:** Likely connected to Canadian Infrastructure Bank funding last summer which included a funding commitment of \$407 million from Canada, \$244.5 million from Alberta, and \$163 million from Irrigation Districts in the province.
- **Bill 55, College of Alberta School Superintendents Act:** Likely turning College into a regulatory body with more powers like investigations and professional training.

Appendix

Technology and Innovation Strategy

- The three outcomes of the Technology and Innovation Strategy are:
 - Developing, attracting and retaining a future-ready workforce with skills aligned to diversify and grow Alberta's economy;
 - Leading the country in attracting capital and investment by 2030; and
 - Creating a competitive landscape and the right enablers to drive entrepreneurship and grow priority sectors.
- Additional funding is provided to Alberta Innovates for enhanced accelerator and scale-up programming to streamline and improve business processes for entrepreneurs.
- The Innovation Employment Grant encourages economic growth by supporting small and medium-sized businesses that invest in research and development across sectors.
- The Digital Strategy will develop IT systems to support digital interactions between Albertans and government to achieve cost savings and improve service delivery. Service Alberta is developing a

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broadband strategy to close the divide between rural and urban communities and strengthen Alberta's economic development and job creation potential with increased connectivity.

Tourism Recovery Plan

- The plan aims to double tourism by 2030 through increased funding and a renewed focus for Tourism Alberta as a Destination Management Organization.

Aviation, Aerospace and Logistics Strategy

- This strategy aims to expand Alberta's aviation, aerospace and logistics capabilities including enhancing the province's position as a logistics hub. Budget 2021 provides \$2 million for a rail capacity assessment to explore advancing resource corridors and expanding rail capacity.

Pharmaceuticals and Life Sciences Strategy

- The goals of this strategy include optimizing system support and collaborations between academia, industry and government to boost sector growth, attract investment and create knowledge-intensive jobs. Providing \$20 million over four years for the Li Ka Shing Applied Virology Institute at the University of Alberta to accelerate leading-edge research and commercialization of pharmaceutical and vaccine treatments.

Energy Strategy

- Budget 2021 continues support for the Site Rehabilitation Program, the Alberta Petrochemicals Incentive Program, the Natural Gas Vision and Strategy, and Carbon Capture and Utilization technology. Other new strategies support competitiveness in the energy industry, maximize value from hydrocarbons and capitalize on emerging opportunities. This includes \$28 million for Geothermal Resource Development and the Mineral Strategy, including mapping of targeted public geoscience information in Alberta.

Finance and Financial Technology Strategy

- This strategy leverages Alberta's low corporate tax rate and red tape reduction through consideration of captive insurance in Alberta, and establishing a financial sector concierge office and a sector-specific regulatory sandbox that will reduce the regulatory burden on new fintech products and services.

Agriculture Strategy

- The government's significant investment in irrigation infrastructure, in partnership with Irrigation Districts and the Canada Infrastructure Bank is a key component of this strategy. The Agriculture Strategy focuses on attracting investment for value-added and diversification of agricultural products, broadening export opportunities and an historic expansion of irrigation infrastructure.

Other Recovery Initiatives and Strategies

- **The Labour and Talent Strategy** will increase work-integrated learning opportunities, expand apprenticeships, and enhance connections between post-secondary institutions and industry. This includes an additional \$5 million to create internship opportunities for Alberta students through Mitacs International and \$2 million to help young Albertans explore futures in the trades and other in-demand sectors for CAREERS: The Next Generation.
- **The Manufacturing Strategy** is under development and aims to increase competitiveness in areas of traditional manufacturing strength and enable growth of Alberta's advanced manufacturing capabilities.
- **The Stabilize Program** will provide one-time funding to reignite Alberta's live experience sports, arts, and culture organizations and empower these organizations to reimagine their events and operating models to build an even stronger live experience sector.
- **The Investment and Growth Strategy** aims to increase Alberta's competitive advantage, improve Alberta's investment and attraction ecosystem, and raise Alberta's reputation as an investment destination. Invest Alberta will promote Alberta's attractive business environment and identify and pursue new high-value or high-impact investment. The \$10 million Enterprise Fund will enable this work.

*The Finance Minister's full written speech is [here](#).