

Mar 09, 2016

Alberta Urban Municipalities Association Mayors' Caucus Speech

Thank you, Lisa (Holmes), and good morning, everyone.

On behalf of all the members of our government in attendance, welcome to Edmonton!

Many of you have traveled a long way to be here. I know that you're all willing to go as far as you have to, to serve your constituents...

...and that engaging with the provincial government is an important part of your jobs.

Engaging with you is just as important to our government. And we all appreciate the tremendous effort that the AUMA puts into upholding its end of the dialogue.

The infrastructure and the services that Albertans use every day can't function without close coordination among governments at every level.

And municipalities represent the level of government with which Albertans have the most day-to-day contact.

You are tremendously valuable partners to us.

The AUMA has never been shy about sharing information and expert advice, drawing attention to issues, or telling us how we can serve municipalities better.

These responsibilities are more important than ever, in light of Alberta's fiscal challenges.

No one is immune to the effects of the downturn. Job losses are mounting and families everywhere are struggling to make ends meet.

The answer to many of our problems would be for the price of oil to jump suddenly, to around \$100 per barrel, and plateau there for a good long time.

But that's not going to happen. And if even it did, it wouldn't be enough. It would just set Alberta up to fail again when the next price shock occurs.

Deeper change is needed.

You deserve to know what this entails, because change is only achievable if we work together.

Our government approaches change in the awareness that there are things we can control and others we can't.

We can't control the price of oil or the pressures low oil prices bring to bear on us.

But we can control our response.

We can shield vulnerable Albertans from the worst effects of the slowdown.

We can begin to shift Alberta's dependence on a single commodity, a single price and a single market.

And we can help position the province for renewed prosperity, through economic development and diversification.

You can see these measures taking shape in what our government has done so far and in yesterday's Throne Speech.

Protecting Albertans

The most immediate necessity is to protect people facing financial hardship.

That's why yesterday, our government announced a new Child Benefit Plan for low-income families.

Under this program, a low-income, single parent with two children will begin to receive just over \$3,000 a year in benefits from enhancements to the Alberta Child Benefit and the Family Employment Tax Credit.

In all, 380,000 kids – the most vulnerable among us – will get a helping hand in difficult times.

Financial strain can also make some Albertans susceptible to predatory lenders charging exorbitant interest.

Our government will stop these abuses with *An Act to End Predatory Lending*.

Protecting the neediest Albertans is essential.

However, our government also knows that the best thing we can do for them, by far, is to help them get back to work in good, stable jobs.

That's why we will introduce measures in next month's budget to expand access to skills training and apprenticeships.

People confronting unemployment should be able to build new lives.

And our government will seize the opportunity to re-orient Alberta's workforce toward the next economy, rather than leaving it dependent on the last one.

Development & diversification

Encouraging job creation and a return to growth remains our focus.

So we will add to the steps we've already taken, including a \$34 billion capital plan to build priority infrastructure projects that will support families, businesses and municipalities across Alberta.

This includes investments that help municipalities: water and wastewater projects, roads, bridges, and transit initiatives.

These investments will help prepare your municipalities for growth...

...while retaining the tradespeople, equipment operators, engineers and other professionals the economy needs.

We are also supporting the small and medium-sized enterprises that power your economies.

Last fall, we made \$1.5 billion available to ATB to increase its lending to businesses that might otherwise find their access to capital constrained.

We directed the Alberta Investment Management Corporation to set aside half a billion dollars for promising companies.

We made \$50 million available to the Alberta Enterprise Corporation to help entrepreneurs access the capital and mentorship they need to take their ideas from concept to the market.

And recently, we signed a Letter of Intent with the Business Development Bank of Canada...

...to find ways to expand access to capital, resources and services for small and medium-sized businesses.

The upcoming budget will contain further measures to promote access to capital for job creators.

As well, government will work with leaders in Alberta's credit union system, to ensure they have the right tools for supporting small and medium-sized businesses.

You can also expect to see a solid plan to raise awareness of our province in key markets...

... along with cooperation between government and industry to develop, diversify and expand trade — the lifeblood of Alberta's economy.

No matter what shape Alberta's economy assumes in the years ahead, one thing will remain the same: the energy sector will play a fundamental role.

Since Alberta is home to the world's third-largest proven oil reserves, it couldn't be otherwise.

Our government's vision for development and diversification accounts for this truth.

Because we want the industry succeed. We want responsible oil production and exports to climb.

Alberta's prosperity, jobs, families and revenues are linked to both.

And the decisions we make that affect the sector are designed to further its success.

The ongoing global supply glut has taught producers a sharp lesson about lowering costs.

So on the advice of the royalty review panel, we will modernize the royalty system, to promote and provide incentives for greater cost control.

It's important to add value to those resources here and create jobs.

Our Petrochemicals Diversification Program will spur growth and investment this way.

Government is offering up to \$500 million in royalty credits to encourage investment in new petrochemical facilities in Alberta, to attract billions of dollars in investment and generate jobs.

To further this goal, we're forming an Energy Diversification Advisory Committee.

Still, Alberta's economy is driven by exports and that's where change can make the biggest difference.

We have just one foreign customer – the United States. And they've become our biggest rivals, thanks to their own unconventional resources.

The US also has something Alberta lacks – access to tidewater.

We need that too.

Alberta's producers must be able to sell to a wider range of buyers, if our province is to be better insulated from fluctuating commodity markets.

One of the key buyers we need access to is our own country – Canada.

I don't think most Canadians know that our country buys almost a million barrels a day from countries overseas. That makes no economic sense... for anyone.

Canada should be relying on its own abundant energy resources.

And our energy dollars should be building our economy here in Canada.

Unfortunately, pipelines have been held up by disputes over broader failures to act on environmental issues.

But now, under our government, this province has something we've never had before: a comprehensive plan to fight climate change.

It's built around a carbon levy, a hard limit on oil sands emissions, phasing out coal and reducing methane emissions.

We developed the Climate Leadership Plan to counter the threat of climate change.

And because made-in-Alberta solutions will work better than anything imposed from outside.

There is a huge amount of room for cooperation between the province and municipalities.

And we're excited to work with you on climate leadership.

A new agency, Energy Efficiency Alberta, will help businesses and entire communities cut their energy costs and reduce their emissions.

So there will be new points of contact between us, and multiple opportunities to learn what works, as we make this province greener together.

Our plan will erase any doubts about Alberta's environmental reputation within Canada and around the world.

It places our energy economy in the ranks of the world's most progressive energy producers.

We are much more likely to persuade the rest of the country to work with us this way.

There are signs of progress already.

The 'Vancouver Declaration' signed by all provinces and territories last week agreed on "the importance and urgency of moving Canada's resources to market in responsible, timely, predictable and sustainable ways."

Conclusion

Despite tough times, there are reasons for optimism.

Our province is changing. And so is its relationship with the rest of Canada.

The outlines of a brighter, more prosperous future for all Albertans are emerging.

But we can't overlook the present. The oil price slump means government can't meet current deficit targets.

Albertans expect us to be competent fiscal managers. We take that duty seriously.

The provincial government, municipal governments and households across our province are dealing with intense fiscal constraints, which must be respected.

Public expenditures can't continue to grow as they have in the past. There is no substitute for making difficult decisions in the budget.

So here's what you can expect from us.

We will protect health care and education.

We will stick to rigorous, responsible oversight of the public purse, spending carefully and finding savings.

And we will steer the province onto a better path by:

- Investing in the infrastructure Alberta needs;
- Working with the private sector to create jobs;
- Focusing on diversification, innovation and adding value;
- Improving business access to capital; and
- Improving market access for all of Alberta's products—including energy, forestry and agricultural commodities.

Change won't happen quickly. And we won't be able to accomplish it without you.

That's why we're moving forward with the next phase of the *Municipal Government Act*...

...continuing our partnership with municipalities as we introduce legislation this spring for consultation over the summer.

You'll hear more about that today from Minister Larivee.

In this, as in all our work together, we must be creative, innovative and efficient – wherever, whenever and however we can.

The problems we're grappling with have been decades in the making. Solving them will ask a lot from all of us.

But Albertans are counting on solutions. And I know municipal leaders don't intend to let them down any more than I do.

I look forward to working with you as we face these challenges and opportunities together.

Thank you.