



CANADIAN FEDERATION
OF INDEPENDENT BUSINESS

In business for your business.

Alberta Leader's Survey

How will you support entrepreneurship and small business in Alberta?

Q1: Transparency of New Policy

*When introducing new taxes, rules, or regulations, it is important to be accountable and transparent with the implications they have on small and medium-sized businesses. Consulting with local business communities is vital to ensure new initiatives do not impose unfair burdens or hinder business growth. **How will you ensure your government is accountable and transparent in reporting the impact new policy has on the independent business community?***

Alberta Liberals: We are committed to being a more transparent Alberta Government. We will publish stakeholder impact studies publically so all Albertans can assess our policies with the same information the Government possesses. We will also increase the number of resources made available for Freedom of Information Requests.

Alberta Party: We fully agree. Indeed transparency is a cornerstone of the Alberta Party's platform. As a party led by the only leader with experience in business, and which has numerous business owners within its team of candidates, we are very much aware of the impact that tax and regulatory changes have on the ability of Alberta's businesses to compete on a global scale. Regular and honest discussions with stakeholders will be central to ensuring that Alberta can evolve to compete on a global scale again.

NDP: Albertans expect and deserve a government that works for them, not for insiders, campaign donors, or special interests. They expect a government that's open, honest and accountable – and they should expect no less. Being open, honest and transparent with Albertans and Alberta's business community in reporting the outcomes and projections of policy measures is important. Rachel Notley is proud that under her leadership, the C.D. Howe institute has given her government a consistent A+ rating for fiscal transparency and reporting, an upgrade from the C grade assigned to the previous Conservative government. A re-elected government under the leadership of Rachel Notley is committed to maintaining the highest standards of public reporting, and is committed to maintaining Alberta's A+ rating.

UCP: A United Conservative government is committed to consulting with all stakeholders on the impacts of new policy. We are committed to repealing the carbon tax and we will amend the Alberta Taxpayer Protection Act to require a referendum of Albertans be held before a carbon tax can be introduced by any government in the future. We will ensure that all major economic development proposals continue to be subject to mandatory environmental impact assessments.

Q2: Regulation & Red Tape

*Red tape is a serious issue for Alberta businesses - they spend far too much time filling out redundant forms, trying to understand jargon-riddled documents, and surfing websites for hidden information. CFIB has never awarded any provincial government in Alberta with a grade above "D" on cutting red tape. **What is your plan to cut red tape for small businesses in Alberta?***

Alberta Liberals: When it comes to identifying redundant regulation and red tape it is important to consult with businesses. We are committed to consulting and communicating with business owners and their representatives to find ways to reduce the overall burden of regulation and red tape while maintaining high environmental and safety standards.

Alberta Party: As Albertans it's frustrating to hear from an economist that his clients can get a project approved in Saskatchewan within a three-month window, but that a similar project in Alberta requires nine months. This has to end. The days where we could sit back and rest on our laurels are over. Our children need these opportunities. To that end, an Alberta Party government will convene an independent panel of experts to address this specific issue. Similar to what we have already proposed in consolidating submissions to government in other programs, this committee would have a mandate to deliver a report, within 3 months of being struck, on what changes across all branches of government need to be implemented to reduce duplication and improve efficiency and investment climate within our province. These changes would then be implemented across government during year two of the mandate.

New legislation and regulations would also be subject to regulatory burden impact analysis before and after implementation.

NDP: Our priority centres on creating good jobs for Albertans, and that means supporting our small businesses to grow and thrive. We will establish the Small Business Investment Office, to streamline small business regulation, and serve as a single portal into government for all permits, labour requirements, regulatory standards, and licenses. The office will also provide direct assistance - with staff you can pick up the phone and call - to answer questions and direct businesses to supports, grants and available tax credits. We look forward to sitting down with the CFIB after the election to seek input into other possible features of the new Small Business Investment Office, including how best to eliminate redundant administrative forms.

UCP: A United Conservative government is committed to reducing red tape for businesses in Alberta. Our Red Tape Reduction Action Plan will cut red tape by one-third to reduce costs and speed up approvals, freeing job creators to get more Albertans back to work.

A United Conservative government will:

- Pass a Red Tape Reduction Act to measure, report, and reduce the province's regulatory decisions to be made;
- Appoint a Minister for Red Tape Reduction to lead the Action Plan and meet the one-third reduction target;
- Form industry panels to help the Minister identify unnecessary red tape in every sector of Alberta's economy;
- Implement a "One-In / One-Out" rule requiring ministries to identify at least one offsetting regulation for every new regulation created;
- Create a Red Tape Challenge Website at StopRedTape.ca to replicate the United Kingdom's successful Red Tape Challenge by crowdsourcing input from businesses, organisations, and the public on which regulations should be improved, kept, or scrapped;
- Cut red tape within government to allow the public sector to focus on serving Albertans;
- Move from a process to outcome-based regulatory approach; and
- Fight for an end to interprovincial barriers to free trade.

A United Conservative government will cut red tape by one-third to reduce costs, encouraging new and existing businesses to get Albertans back to work.

Q3: Overall Tax Burden

The overall tax burden is consistently ranked by business owners as the major burden and driver of their costs. How will your government create a more competitive tax environment for independent business in Alberta?

Alberta Liberals: In terms of creating a more competitive tax environment, the Alberta Liberal fiscal plan will reduce the general corporate income tax rate from 12 per cent to 10 per cent and exempt any new small businesses from having to pay corporate income tax for the first three taxation years after incorporation.

Alberta Party: Not long ago Alberta used to focus on ensuring its tax policies were competitive with our neighbours to the east and west. Today Alberta faces increasing pressure from global players determined to grow their part of the economic pie, at the expense of long-term partners such as Alberta. Concurrently, as a result of our recent economic downturn, our industries have under-invested in capital as they've struggled to survive. The Alberta Party believes that we need to face these challenges head on and has proposed several economic drivers as part of its 2019 Election Platform:

- Moving the small business tax exemption from \$500,000 to \$1,000,000 to free up more funds for growth and investment by small businesses
- Reducing the corporate income tax rate from 12% to a more competitive 10%. This too will reduce burdens on small business and free more income to grow Alberta industries
- Offering a two-year corporate tax holiday for businesses of 250+ employees that move to Alberta
- Adjusting the capital cost allowance to 100% to encourage industries to invest in Alberta.

Learn more about the Alberta Party job platform at: <https://www.albertaparty.ca/jobs>.

NDP: Rachel Notley values and shares Albertans' entrepreneurial spirit. That's why she cut small businesses taxes by 33%. A re-elected government under the leadership of Rachel Notley is committed to a balanced fiscal approach, and eliminating the deficit in the next mandate with no healthcare premiums and no provincial sales taxes. Rachel Notley is committed to maintaining Alberta's \$11.8 billion tax advantage over the next closest province, and maintaining the lowest overall tax burden in the country. We have the best balance sheet in the country and when we balance we will continue to have the best balance sheet. We will also continue with our targeted tax credits, including the Alberta Investor Tax Credit, the Capital Investment Tax Credit, and the Interactive Digital Media Tax Credit to support and grow Alberta businesses.

UCP: Bill 1 of a United Conservative government will be the Carbon Tax Repeal Act, which will scrap the job-killing NDP carbon tax that has cost Alberta families and businesses so much, without achieving any such social license promised by the NDP government.

A United Conservative government would impose a Job Creation Tax Cut, which would reduce the tax on job creators by one-third from 12 to eight per cent.

A United Conservative government will keep the small business tax rate at two per cent, and will not impose a sales tax.

Q4: Spending and Provincial Debt

The size and cost of the Alberta Government has grown by more than 50 per cent over the past 12 years, from approximately \$40 billion in total spending in 2008 to projected expenditures of almost \$60 billion by 2020. Ninety-four per cent of independent businesses in Alberta say it is important that the next government has a legislated plan to reduce the debt. How does your government plan to reduce the debt burden, and does your government have a timeline in place to reach a balanced budget?

Alberta Liberals: The Alberta Liberals' fiscal plan will stabilize the province's revenues, reduce personal and corporate income taxes, and encourage economic growth and diversification by shifting the tax burden from income taxation to a harmonized sales tax. We are committed to balancing the budget as soon as possible, and believe that our fiscal plan offers a credible path to achieving that objective while still protecting front-line services. However, we also feel it's incredibly disingenuous of the NDP to say they'll balance the budget by 2023 when they offer no detailed plan for how they'll do

that and their shaky claim is entirely dependent on a huge rebound in resource revenues that certainly isn't guaranteed. Let's not forget that the NDP, after forming government, also promised to deliver a balanced budget in 2018, then 2019, then 2023 – so such promises really don't mean much. The UCP, in citing 2022 as their target, are being equally disingenuous without offering a detailed plan. We think voters deserve better than parties merely offering up arbitrary timelines for the sake of political expediency. In terms of paying off the debt, the Alberta Liberals will establish a legislated debt cap and a debt repayment plan. We will also discontinue the NDP practice of borrowing to pay for operational expenses.

Alberta Party: Our government would immediately implement recommendations of the Auditor General to provide a long-term view of the government's liabilities. This change will be overdue in providing Albertans a more complete understanding of the province's fiscal health. Government's current reporting format is flawed because it does not provide the full picture of Alberta's true financial health. As such, the change to reflect the Auditor General's 2018 recommendations is overdue for Albertans so that they can have an honest discussion about their province's future.

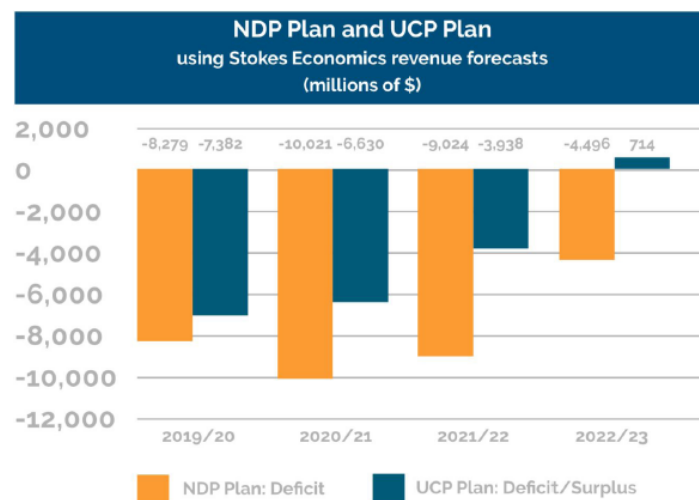
Furthermore, economists reviewing the fiscal proposals by both the NDP and UCP have found them to be flawed and unrealistic in their expectations. An Alberta Party government would recognize the significant demographic and social challenges faced by a growing and aging population, concurrent with increasing pressure from foreign jurisdictions to challenge Alberta's opportunities. As such, an Alberta Party government's first step will be to reduce barriers to growth and focus instead on growing economic opportunity which will result in more revenue for government programs. During year two of our mandate, our government will develop a comprehensive fiscal plan for Alberta's future. This fiscal plan would be developed in consultation with Albertans, industry and stakeholders. Its objective would be to develop a long-term and sustainable framework for the province.

NDP: Rachel Notley is committed to a balanced fiscal approach. We will continue to appropriately fund core public services, diversify the economy, and we will bring down the deficit by keeping government spending growth to below population and inflation growth. We will balance the budget by 2023-24, and thereafter, we will consult with Albertans on their priorities, including how best to reduce debt.

UCP: United Conservatives recognize how important it is for the next government to reduce the debt burden and balance the budget. This means that we need to get Albertans back to work and incentivize investment back into our economy, while spending within our means.

A United Conservative government will seek to balance the budget over four years.

The comparison below uses the cautious, lower revenue projections provided by Stokes Economics. Using a realistic revenue scenario—including providing for risk adjustments in case energy revenues fall further—a United Conservative government will get to a balanced budget in 2022/23. Details of our plan can be found [here](#).



Q5: Alberta WCB

*According to board policy, when the Workers' Compensation Board reports assets over liabilities greater than 128%, a refund is issued to employers of surplus monies. Some suggest the refund threshold should be lowered below 128%. **How will your government ensure surplus funds are returned to employers when the board is in an over-funded position?***

Alberta Liberals: The Alberta Liberals would consult with key stakeholders to determine if the refund threshold warrants revision.

Alberta Party: An Alberta Party-led government would request that the Auditor General of Alberta conduct a review of WCB's programs and provide the Crown with independent advice on ensuring sustainability of the program. The Alberta Party is committed to ensuring that WCB policies treat employers fairly.

NDP: We believe that the Workers' Compensation Board (WCB) is critical to the overall functioning of the economy in Alberta. Moreover, we believe that WCB funding levels should be determined by on a scientific, actuarial basis. Based on the actuarial evidence, we support the 128% threshold. We are committed to ensuring that the WCB runs efficiently, and that salaries within the WCB are appropriately benchmarked and fair. Under the previous Conservative government, compensation of top WCB officials were out of line, and costing Alberta businesses too much. Under the previous Conservative government, the WCB Chair made roughly \$900,000, and five Vice-Presidents were making between \$460,000 to \$600,000. Under the leadership of Rachel Notley, compensation for top WCB officials was dramatically reduced, and the target salary for the Chair is now \$330,000 with a hard cap under \$400,000.

UCP: We will consult with stakeholders, such as CFIB on this issue, if elected, in order to control WCB costs and thus allow for lower and returned premiums in the future where possible.

Q6: Carbon Tax

*On January 1, 2017, a carbon tax was introduced in Alberta. Recent data from CFIB shows the vast majority of Albertan small, independent businesses want the tax repealed. **What are your government's views and future plans regarding the provincial carbon tax?***

Alberta Liberals: The Alberta Liberals believe that putting an economy-wide price on carbon is necessary to reduce emissions. We recognize that, to be effective, a carbon tax must be broad-based and apply to more than just large industrial emitters. We also believe that the carbon tax should be truly revenue-neutral, and not used to help fund general government operations and pet political projects – as the NDP have done. In our opinion, the NDP have used the carbon tax as a proxy for a sales tax, which clearly wasn't its intended purpose. This has bred cynicism among many and fueled calls for it to be rescinded.

Alberta Party: The Alberta Party recognizes the negative impact that increasing costs have had on our province and its industries and we have been struggling to extract ourselves from the worst economic conditions of the past 40 years. Recognizing the geographic and economic realities which Alberta faces as a northern economy, an Alberta Party-led government would restructure the current Carbon Tax to better focus it on the larger emitters within our economy while providing increased opportunities for small and medium enterprises to access these funds to improve their own carbon efficiency and gain a greater efficiency to compete for global markets. The Carbon Tax would be removed from households and most businesses, while opening the opportunity for small and medium sized enterprises to improve their own efficiency and productivity through grants obtained through Energy Efficiency Alberta. Learn more about our plan at: https://www.albertaparty.ca/carbon_tax.

NDP: Albertans deserve a leader who fights for what matters for the future of our province and its people. That includes making sure we have clean air, water, and parks for future generations. Over the past four years, Rachel Notley has shown that a strong economy and a clean environment can – and must – go hand in hand. A re-elected government under the leadership of Rachel Notley will continue

with our made in Alberta Climate Leadership Plan. Since the plan's implementation, Alberta's greenhouse gas emissions in the electricity generation industry have dropped by 16%, the equivalent of three Metro Vancouvers.

UCP: A United Conservative government would repeal the job-killing NDP carbon tax. Bill 1 of a United Conservative government will be the Carbon Tax Repeal Act. United Conservatives will stand up for Alberta and will take the federal government to Court if forced to impose a federally-mandated carbon tax. We will also subject any future carbon tax to the Alberta Taxpayer Protection Act which requires all sales taxes to be voted on in a referendum.

Q7: Provincial Labour Laws & Employment Standards

*Recent prescriptive changes to the province's labour laws (e.g., occupational health and safety, workers' compensation, employment standards, Labour Relations Code) have impaired the development of flexible workplace arrangements between employers and employees. CFIB members report that flexible workplace practices allow them to build better relationships with their employees, who also have higher job satisfaction and higher retention rates. **How will your government ensure the realities of small business are reflected in Alberta's labour laws to ensure a fair balance and more reasonable flexibility between employers and employees?***

Alberta Liberals: As with the minimum wage, labour law compliance costs should reflect what most businesses can reasonably afford to pay their employees and still remain profitable. At the end of the day, businesses aren't charities and shouldn't be expected to do the government's poverty reduction work for it.

It stands to reason that government should consult extensively with key stakeholders whenever important changes are being considered. In hindsight, it might have been possible to mitigate some of the excesses of the NDP's Bill 17, Fair and Family-friendly Workplaces Act, had they only been willing to consult with affected stakeholders for longer than 36 days – which was clearly far too little time given the scope and impact of the changes. Curiously, the NDP were quite prepared to undertake a proper and thorough consultation when they amended both the Municipal Government Act and the Workers' Compensation Act, but appeared to give short shrift to the concerns of employers and business groups when it came to revamping the Employment Standards Code and the Labour Relations Code.

Alberta Party: Alberta's labour market has faced significant pressure over the past 4 years with changes to employment standards, wages and an overall economic downturn. At this point the market needs stability and opportunity. An Alberta Party-led government will focus on growing economic opportunity instead of opening a divisive debate at a time when indicators would suggest a general economic slowdown.

NDP: Alberta's NDP is committed to fair and safe workplaces, while continuing with a tax regime that positions Alberta as the lowest taxed jurisdiction in the country. We want to create the conditions that allows small businesses to grow and thrive. Through the establishment of the Small Business Investment Office, and our efforts to streamline small business regulations, would be pleased to sit down with the CFIB after the election to discuss measures that would support further support small business.

UCP: A United Conservative government would introduce an Open for Business Act, which would bring back greater flexibility to employers by bringing balance back to labour laws. A United Conservative government would:

- Repeal Bill 6 (i.e. the 2015 Enhanced Protection for Farm and Ranch Workers Act);
- Return to a regular / irregular workday distinction for calculating holiday pay
- Return to a holiday pay qualifying period of 30 work days in the 12 months preceding a general holiday; and

- Reverse the change in 2018 that eliminated the option for workers and employers to develop straight-time banked hours arrangements (this has no impact on overtime pay).

Q8: Entry-Level Jobs

Between 2015 and 2018, the Alberta minimum wage increased by 47 per cent. Business owners have reported less capacity to hire youth because of the rapidly increasing cost of creating entry level jobs. How will you change, if at all, Alberta's minimum wage policy, and how will you encourage and facilitate conditions that helps promote youth hiring?

Alberta Liberals: The Alberta Liberals will allow a lower minimum wage to be paid specifically to liquor servers and other gratuity earners, and will offset the \$15 minimum wage for youth by introducing incentives to help small businesses and employers hire younger workers. We will help businesses hire more student workers by expanding the Summer Temporary Employment (STEP) program to be years round.

The Alberta Liberals oppose a youth specific minimum wage, and view it as a form of age discrimination. It's very easy to generalize and suggest that younger workers are a homogenous group, lacking skills or practical experience, living a life of relative comfort at home with two parents working and simply looking to earn a bit of disposable income. However, that's not the reality for many. Some youth are saving to invest in their education or to create opportunities for themselves. Others are helping to support their families and make ends meet. It isn't right to lump all youth into a single category and say that they deserve less pay simply because of their age.

Alberta Party: The Alberta Party will not rollback the existing minimum wage. As Stephen Mandel has publicly stated during our campaign "that ship has sailed". What the Alberta Party will focus on is creating opportunities to grow the economy again. By:

- Introducing a two-year corporate tax holiday for businesses of 250+ employees moving to Alberta
- Moving the small business tax exemption from \$500,000 to \$1,000,000 to free up more funds for investment by small businesses
- Moving the rate of corporate tax from 12% to a more competitive 10%. This too will free up more investment income to grow Alberta industries and increase employment
- Adjusting the capital cost allowance to 100% to encourage industries to invest in Alberta

Alberta can again become globally competitive. Those conditions will naturally create more demand for workforce and the second order effect of increasing youth employment across all sectors.

NDP: We are committed to a \$15/hour minimum wage for all workers in Alberta. With respect to young workers, we brought back the Student Temporary Employment Program (STEP) that provides funding to eligible Alberta employers – including small businesses – to hire high school and post-secondary students into summer jobs. We are committed to encouraging youth employment, and getting people into the workforce early in their lifetimes.

UCP: A United Conservative government would retain the \$15.00 per hour minimum wage. We would introduce a Youth Job Creation Wage of \$13.00 for workers who are 17 years of age or younger to encourage job creators to hire young Albertans for their first job.

Further, A United Conservative government would appoint a Minimum Wage Expert Panel to analyse and publish all available economic data on the labour market impact of the NDP's 50 per cent increase in the minimum wage and assess whether hospitality workers who serve alcohol would likely generate higher net incomes (i.e. by working more hours) with a wage differential similar to those that exist in Ontario, Quebec and British Columbia.

Q9: Canada Pension Plan

Starting January 2019, CPP premiums will payroll costs will be increasing over the next 7 year, adding more tax burden onto small and medium-sized businesses. Additionally, employees will have less disposable income to put into more flexible types of retirement savings programs. Does your government have any plans to address the CPP increases, or introduce mitigating measures?

Alberta Liberals: We do not have plans to offset CPP premiums. We understand the detrimental effects payroll taxes have on businesses but see this as a federal issue that must be addressed federally.

Alberta Party: The Alberta Party has proposed separating from CPP and forming our own Alberta Pension Plan (APP). Given Alberta's demographics and comparatively high salaries, Alberta contributes disproportionately more to CPP than other provinces. Modelled after Quebec's highly successful pension plan, the APP would attract targeted investments and maintain a more competitive contribution rate as a result of Alberta's young demographic profile and strong economic position. Subsequent to releasing this proposal the Fraser Institute and various media have written about the significant impact such a move would have in the favour of Albertans and their economy.

NDP: We believe that Albertans should be able to retire with dignity, and that the CPP is one key component of Albertans long term financial security. While we supported in principle reforms to the CPP that were agreed to on a national level in 2016, our support was conditional on a later phase-in date to allow Alberta businesses time to plan and adjust. We were pleased that based on our advocacy, the phase in will now occur over 7 years.

UCP: A United Conservative government would get a fair deal for Alberta within the Canadian federation. We would end Alberta's agreement to increase the Canada Pension Plan (CPP) payroll tax.

Q10: Provincial Sales Tax

Alberta is currently the only province without a provincial sales tax. Ninety-five per cent of Alberta business owners oppose the introduction of a PST. Does your government support or oppose introducing a PST, and why or why not?

Alberta Liberals: Simply piling a PST on top of other existing taxes is clearly a non-starter. However, economists have said time and time again that shifting the tax burden from income taxation to a sales tax is urgently needed to stabilize our province's revenues, reduce personal and corporate income taxes, and encourage economic growth and diversification. The Alberta Liberals are proposing this exactly through the introduction of a revenue-neutral 8 per cent HST. Importantly, this plan will see out-of-province visitors contribute nearly a billion dollars annually to Alberta's coffers. Why wouldn't we take advantage of that? In a recent CBC opinion piece, highly respected University of Calgary economist Trevor Tombe described the Alberta Liberal fiscal plan as "the MOST PRO-GROWTH IDEA of the campaign yet" and "one worth seriously considering by all parties." Rather than discouraging consumer spending, this will actually boost it by leaving more money in people's pockets. An HST is also superior to a PST because the federal government collects the tax revenue and remits it to the province, reducing the size of Alberta's tax collection bureaucracy.

Alberta Party: The Alberta Party is not proposing to introduce a sales tax. We respect the legislated requirement for a referendum on introducing a sales tax. The Alberta Party does recognize that our current fiscal plan is not sustainable and that changes must be made. That is why significant economic development opportunities have been identified as part of the 2019 Election Platform:

- A two-year corporate tax holiday for businesses of 250+ employees moving to Alberta;
- Moving the small business tax exemption from \$500,000 to \$1,000,000 to free up more funds for investment by small businesses
- Moving the rate of corporate tax from 12% to a more competitive 10%. This too will free up more investment income to grow Alberta industries

- Adjusting the capital cost allowance to 100% to encourage industries to invest in Alberta.

NDP: A re-elected government under the leadership of Rachel Notley will not introduce a Provincial Sales Tax (PST).

UCP: A United Conservative government will not introduce a provincial sales tax.

Q11: Closing Question

Is there anything else you would like to tell entrepreneurs about your plans for the province?

Alberta Liberals: No response provided.

Alberta Party: Learn more about the Alberta Party job platform at: <https://www.albertaparty.ca/jobs>.

Recognizing that Alberta has significant opportunities for growth in our forestry and agriculture sectors, the Alberta Party has put forth proposals to grow those sectors of our economy. Those economic proposals are available at: www.albertaparty.ca/agriculture and <https://www.albertaparty.ca/forestry>.

NDP: No response provided.

UCP: A United Conservative government is committed to ensuring small businesses and entrepreneurs will thrive in this province. A United Conservative government will:

- Make Alberta a destination for global entrepreneurs through the creation of streams within the Alberta Immigrant Nominee Program.
- Establish the most effective intellectual property framework for the commercialization and entrepreneurial application of innovative research and development from Alberta's universities and colleges.
- Create a Rural Entrepreneur Immigration Program that will invite entrepreneurs to start new businesses in smaller Alberta communities.
- Create the International Student Entrepreneur Program, that will encourage foreign student graduates of Alberta post-secondary institutions to start a business and stay in Alberta permanently. Data shows that young foreign student grads with Canadian degrees and strong English language skills are set for success and become major contributors to the economy.