

Transcript of "Alberta Next" Equalization and Transfers Survey introductory video

Our next topic is reforming federal equalization and transfers. Since 2005, Alberta taxpayers have contributed, on average, \$23 billion more per year to the federal government in federal taxes than they received back in projects, benefits and other spending from Ottawa. That's a net loss to Albertans of nearly half a trillion dollars in just 20 years. Most of those redistributed Alberta tax dollars are spent by Ottawa and Quebec and other liberal-leaning provinces across the country, and part of that massive fiscal transfer out of Alberta comes through the federal equalization program, which has seen Alberta pay over \$67 billion into the program since 1957, while receiving back not a single penny since 1965. In 2021, Albertans voted in a referendum to remove equalization from the Constitution, but Ottawa completely ignored us. So what next? Alberta can't stop these federal transfers on its own. The Alberta government doesn't write a check to Ottawa each year, and we can't ask Albertans to stop paying their federal taxes. The fact is, fixing this problem will require political support from other provinces. One option that would be appealing to most other provinces is to have the provinces collect a larger share of overall taxes. This is how it could work: Currently, Ottawa collects over 60% of all the federal and provincial taxes that Canadians pay. The Ottawa bureaucracy takes its portion with the remainder, inefficiently and unequally distributed to the provinces. The dollars we do get back have a lot of strings attached, forcing us to run our provincial programs and build infrastructure the way Ottawa wants us to. No provinces want that, especially the big ones, like Quebec, Ontario, BC and Alberta. What if we cut out the middleman and instead had provincial governments, that are responsible for delivering health, education and social services, collect around 60% of all taxes, with Ottawa receiving the rest? Ottawa, in turn, would be able to end most transfer programs to the provinces, along with all the strings, bureaucracy and waste attached to them. Quebec has already proposed having the federal government let provinces keep GST revenue generated in their provinces in return for ending the Federal Health Transfer. Seems like a great idea! Why not apply that same logic to *all* federal transfers. Less money collected and wasted in Ottawa, less federal transfers with only a modest amount of equalization for the smallest provinces and territories that actually need it, and more funds for provincial health, education and other programs, without strings attached by Ottawa's politicians and bureaucrats. That seems like something most provinces could rally behind. So what say you Alberta? Should Alberta take a lead role in working with the other provinces to reform federal transfers and equalization by having the provinces collect a larger share of overall taxes, with Ottawa collecting less. And are there any other strategies Alberta should be looking at to alleviate the massive federal fiscal drain to Alberta For more information, visit alberta.ca/next.