THE VALUE OF FREEDOM

A Draft Fully Costed Fiscal Plan for an Independent Alberta

COMMONWEALTH OF ALBERTA

Open for Public Discussion

ALBERTA PROSPERITY PROJECT

NOTICE TO THE READER:

This document is based on a wide variety of sources including Statistics Canada, the Province of Alberta budgets, public documents from accounting firms and similar discussions on multiple forums. Particularly for historical numbers, these sources have been used jointly to provide a straightforward, understandable and reasonably accurate basis for calculations.

As such, the figures used in this Plan are approximate and ought to be considered to be +/- 10%

As they are frequently estimates, they will not balance to "the penny" but are believed to be directionally robust and within accepted planning tolerances.

It is important to note that the section dealing with the plan for Alberta's Indigenous Nations is drafted with the utmost respect for the sovereign and indigenous people of Alberta.

It is in no way intended to replace or diminish treaty rights, which will be a required subject for discussion and negotiation in the context of the development of the constitution for the Commonwealth of Alberta which could include a continued role for the Crown of Alberta in the context of any future constitutional arrangements.

It is not the purpose of this document to in any way prejudge or predetermine the outcome of such constitutional negotiations, which will proceed with all due respect to the constitutionally protected treaty and aboriginal rights of Alberta's indigenous people and their ongoing relationship with the crown.

Throughout this document we have tried to use conservative estimates based on historical actuals or current budgets.

The authors believe that the share of the Canada Pension Plan owed to Alberta is as the LifeWorks report states, namely $334 billion plus subsequent returns. Purely to make a conservative estimate, we have elected to use half that figure as the worst case for this draft plan.

In all but the last section (Towards a Great Economic Future), we have deliberately avoided using greatly increased future revenues arising from the very positive effect of being able to fully exploit our natural resources.

We also deliberately avoided government and business cost savings which could come from simplified tax codes, regulations and a more modern use of technology including AI which we believe are significant, perhaps as high as 50%.

As a result, we take the view that the base document is the low, least positive case for an Independent Alberta.

We believe that over time a sovereign Alberta could become one of the lowest taxed and regulated nations in the world, rivaling jurisdictions similar to Dubai and Monaco.

Alberta Prosperity Project
June 2025

Feedback can be shared here: https://freesuggestionbox.com/pub/eimpiuc

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INTRODUCTION

The intention of this document is to provide clarity on the finances and key elements of an Independent Alberta compared to Alberta as a province in the Canadian dominion.

It seeks to answer the question: What is the tangible value of independence for Albertans?

It presents a financial analysis for an independent Alberta, focusing on the province's potential to retain $68–75 billion in annual federal tax contributions, establish an Alberta Pension Plan (APP), replace federal services, and implement a robust environmental strategy.

By directing some of the overcontributions **$44–47 billion** annually, Alberta could fund all critical services, reduce taxes, and invest in sustainability.

The environmental strategy emphasizes leveraging Alberta's vast natural landscapes to mitigate concerns regarding carbon dioxide levels.

Free from external climate agendas, this strategy prioritizes local environmental and economic goals, ensuring a sustainable, self-determined future for Alberta. This will completely eliminate all externally imposed limits on CO2 provision to Alberta forests, prairies, grasslands and farmlands.

All of this is in addition to the appeal of freeing ourselves of the restrictions placed on us by a confederation which no longer shares the values, culture, entrepreneurship and desires which characterize Albertans.

One could argue that even if the financial benefits were neutral, the appeal of independence and freedom to act is, in itself, compelling.

THE VALUE OF FREEDOM IS PRICELESS

EXECUTIVE SUMMARY

An independent Alberta would reshape its fiscal and environmental landscape by retaining $68–75 billion in annual federal tax contributions, yielding a net gain of $44–47 billion after accounting for $22–26 billion in federal transfers.

Combined with provincial revenues of $74.1 billion (2025–26) and an Alberta Pension Plan (APP) generating $23.34 billion annually from a $183.7 billion asset base, total revenues reach $$142.1-149.1 billion.

Expenditures, including $75.3 billion for provincial services and $22.7–31.6 billion to replace federal services (e.g., defense, policing, Indigenous services), total $98–106.9 billion, with one-time setup costs of $2.8–5.7 billion.

This results in a fiscal surplus of $29.4-48.3 billion (excluding setup) or $23.6-45.5 billion (including setup), enabling significant tax reductions, infrastructure investment, and debt reduction.

Tax reductions could include eliminating GST and provincial personal/corporate income taxes (PIT/CIT), reducing average annual total tax load by 29% from the current annual total tax load of $38,000 (average of all forms of taxation/payments – PIT, CIT, Excise, GST, EI, CPP) reduced to $26,000 per taxpayer – OR - eliminating federal PIT/CIT, cutting taxes by 46% reducing the average personal taxes by $18,000 to an average of $20,000.

Alberta's resource wealth and policy autonomy enable a sustainable, economically robust future, prioritizing local environmental needs over any other irrelevant policy inputs.

What happens if Alberta grows aggressively?

The final section speculatively examines the financial impact of an aggressive growth strategy for an Independent Alberta. It considers removal of restrictive regulations to foster foreign and domestic investment, delivering substantial benefits to citizens, support municipalities, and ensure long-term fiscal stability.

Under this plan, oil production is projected to grow from 3.8 million barrels per day in 2023 to 9.5 million by 2045 and natural gas from 11 billion cubic feet per day to 21 billion cubic feet/day.

Direct revenue could rise from ~$144 billion in 2025 to ~$334 billion by 2045 and savings from deregulation savings contribute to a total economic impact of ~$8.2 trillion, including ~300,000–450,000 new jobs.

The fiscal framework that is suggested eliminates personal income tax, reduces corporate income tax to 10% and introduces a 5% AST, also replacing property taxes with a frontage and per hectare fee, municipal residency fee and using provincial grants to ensure continued funding for essential services like roads, schools, and public safety.

This suite of options is used as an example, there being many other options including balancing reductions of income tax against elimination of property taxes to better protect property rights as well as potentially lower levels of GST.

Citizen-focused policies include reducing post-secondary tuition, providing free pharmacare and dental coverage for 1.5 million children, low-income households and retirees, and investing in venture capital for technology, advanced manufacturing and agriculture to diversify the economy.

The Heritage Fund can be seen to grow to ~$1.3–1.4 trillion by 2045 with a 4% real return, generating ~$52–56 billion annually for future stability.

REVENUE AVAILABLE TO AN INDEPENDENT ALBERTA USING HISTORICAL DATA (2021–2024)

Summary

This document outlines the revenue available to an independent Alberta based on estimated federal tax contributions from the province for 2021–2024.

Alberta is estimated to have contributed approximately $68-75 billion annually to the Government of Canada, with only $22-26 billion returned in federal transfers, resulting in a net over-contribution by Albertans by to Canada of $44-47 billion per year.

If Alberta were independent, retaining these revenues—comprising Personal Income Tax (PIT), Corporate Income Tax (CIT), Goods and Services Tax (GST), Excise Taxes, and Employment Insurance (EI) and Canada Pension Plan (CPP) contributions—would significantly enhance its fiscal capacity.

This analysis suggests that an independent Alberta could have access to an additional $44-47 billion annually, enabling substantial investments in infrastructure, public services, and economic diversification.

Estimated Federal Tax Contributions from Alberta

Based on available data, Alberta's federal tax contributions for 2021–2024 are broken down as follows (in billion CAD):

Table 1 – Federal Tax Contributions from Alberta

Year	Personal Income Tax (PIT)	Corporate Income Tax (CIT)	Goods and Services Tax (GST)	Excise Taxes	EI and CPP	Total Contribution	Transfers Back	Net Contribution
2021	30	9–10	8.2	2.4-2.5	12.6-13.4	~62-64	~22	~41-47
2022	30–32	9.5-10	9.9	2.7-2.8	14-16.5	~66-71	~23	~43-47
2023	32–35	10-10.5	10.1	2.8-2.9	14.7-16.2	~70-74	~25	~45-49
2024	32–37	10.5-11	9.1	2.7-2.8	15.9-17.4	~73-77	~26	~47-50

Data sources:

- ***Statistics Canada:*** *Data on revenue, expenditure, and budgetary balance for general governments (e.g., mainly Table 36-10-0450-01, 36-10-0477-01). These sources track federal revenue by province, including tax contributions like PIT, CIT, GST, Excise Taxes, and EI/CPP. Historical data 2011–2023 was used to estimate Alberta's share. Adjusted for 2021–2024 using GDP. Alberta's~11.6%. Note that various sources are not agreement as to totals, so frequently midpoints or conservative estimates were used to ensure the case is not overstated.*
- ***Fraser Institute – Alberta's Net Contribution Studies:*** *The Fraser Institute's reports (e.g., 2019 and 2024 studies on Alberta's net contribution during economic booms) analyze Alberta's federal tax contributions versus transfers. Note that StatsCan 36-10-0450-01 is also used in their estimates.*
- ***GST numbers from CRA*** *- Table 5 GST / HST) filers and value of GST / HST collected, input tax credits, and net tax by jurisdiction 2022 pro rata for other years*
- ***Library of Parliament – Distribution of Federal Revenues and Expenditures:*** *Background paper (October 6, 2020) federal revenues and expenditures by province from 2011–2018. Baseline for Alberta's tax contributions and transfer amounts which was extrapolated to 2021–2024 using inflation and economic growth data.*
- ***Canada Revenue Agency (CRA) – Payroll Deductions Tables (T4032):*** *Detail federal and provincial tax deductions, CPP contributions, and EI premiums. While individual taxpayer data isn't province-specific was cross-referenced with CRA's national totals and Alberta's economic output.*
- ***OECD Revenue Statistics – Canada Tax-to-GDP Ratio:*** *2024 report notes Canada's tax-to-GDP ratio increased to 34.8% in 2023. Using Alberta's GDP (~15–17% of Canada's total GDP), this supports the contribution estimates. There are other transfers for university research, one time municipal grants which are within the tolerance of the numbers.* ***Transfers back include the below as well as EI and CPP payments***

Year	CHT ($B)	CST ($B)	OAS ($B)	CCB ($B)	Total ($B)
2021/22	4.9–5.0	1.7–1.8	5.5–6.0	2.4–2.8	14.5–15.6
2022/23	5.2–5.3	1.8–1.9	6.0–7.0	2.5–3.0	15.5–17.2
2023/24	5.5–5.6	1.9–2.0	6.5–7.5	2.6–3.1	16.5–18.2
2024/25	5.8–5.9	1.9–2.0	7.0–8.0	2.7–3.2	17.4–19.1

Key Observations:

Total Contributions: Alberta contributed an estimated $68-75 billion annually to federal revenues, driven by its strong oil and gas sector (87% of Canada's crude oil exports, 98% of natural gas with British Columbia) and high per capita income.

Net Contributions: After accounting for federal transfers back ($22-26 billion annually), Alberta's over-contribution to Canada was approximately $44–47 billion per year, totaling ~$185 billion over four years.

Revenue Components:

- **PIT:** ~46% of contributions, reflecting Alberta's high-income workforce
- **CIT:** ~15%, boosted by oil and gas corporate profits
- **GST and Excise Taxes:** ~16%, with excise taxes driven by fuel due to Alberta's energy sector
- **EI and CPP**: ~22%, with potential overpayments due to Alberta's younger, employed population
  Note: These are not taxes but are funds given to the Federal government by Albertans

FISCAL IMPLICATIONS FOR AN INDEPENDENT ALBERTA

If Alberta were independent, it could retain the full $68–75 billion in annual federal tax contributions, rather than losing $44-47 billion net to Ottawa. This revenue would include:

- **PIT ($32–37 billion):** Could fund enhanced public services, such as healthcare and education, or allow tax cuts to stimulate economic growth
- **CIT ($10–11 billion):** Retention of corporate taxes, particularly from the energy sector, could support reinvestment in infrastructure or renewable energy diversification
- **GST (~$9 billion):** A consumption-based tax that could be maintained or adjusted to balance revenue needs and economic competitiveness
- **Excise Taxes (~$2.8 billion):** Significant fuel tax revenue could fund transportation or environmental initiatives
- **EI and CPP ($15-17 billion):** Establishing an Alberta Pension Plan and employment insurance system could redirect these funds to benefit Albertans directly, potentially with lower contribution rates due to the province's favorable demographics

ECONOMIC AND POLICY BENEFITS

Retaining the full fiscal tax and payments of $68-75 billion annually would transform Alberta's fiscal landscape:

- **Infrastructure Investment:** Funds could address aging infrastructure, such as roads, pipelines, and public transit, enhancing economic efficiency
- **Public Services:** Increased revenue could improve healthcare, education, and social programs, reducing wait times and enhancing quality of life
- **Economic Diversification:** Investing in technology, renewables, and other sectors could reduce reliance on oil and gas, mitigating volatility risks
- **Tax Reductions:** Lowering personal or corporate taxes could attract businesses and residents, boosting economic growth
- **Debt Reduction:** Alberta's provincial debt ($78.4 billion in 2023) could be addressed more rapidly, freeing up future budgets

CONCLUSION

An independent Alberta could retain an estimated $68-75 billion in annual federal tax revenues, with a net gain of $44-47 billion after accounting for current federal transfers.

This substantial fiscal capacity would enable substantial tax reductions while transformative investments in infrastructure, public services, and economic diversification, positioning Alberta as a robust, self-sustaining economy.

While challenges such as establishing new administrative systems and securing trade agreements exist, the financial case for independence is compelling, with the potential to significantly enhance Alberta's economic and social prosperity.

ESTIMATED COSTS FOR REPLACEMENT OF FEDERAL SERVICES IN AN INDEPENDENT ALBERTA

Challenges and Considerations

- **Loss of Federal Services:** Independence would require Alberta to fund services currently provided by Ottawa (e.g., defense, international relations), potentially offsetting some revenue gains
- **Economic Transition:** Establishing independent tax systems and programs like an Alberta Pension Plan would require significant upfront costs and administrative restructuring
- **Trade and Market Access:** Independence could impact trade agreements, requiring negotiations to maintain access to Canadian and international markets

Below is a summary of the key services currently provided by the Canadian federal government that an independent Alberta would need to create or enhance, along with estimated annual costs and initial setup costs for each service.

The estimates are based on Alberta's economic share (11.6% population, ~14% of federal revenue). The table also highlights where new or additional funds are required.

It should be noted that, where desirable, Federal employees who transition to service within an Independent Alberta would certainly seek to preserve their earned pensions, which would be a point of negotiation with Canada, backstopped by guarantees by Alberta.

Table 2: Estimated Costs for Federal Services in an Independent Alberta

Service	Annual Cost (Billion CAD)	Initial Setup Cost (Billion CAD)	New/Additional Funds Needed
National Defense	3–5	1–2	Capital investments (equipment, bases), ~$1–2B initially; cybersecurity setup, ~$0.5B Pension support, education and transition support for Canadian Armed Forces military who transfer to the Alberta Military
International Relations & Diplomacy	0.5–1	0.2–0.3	Embassy setup, ~$0.2–0.3B; trade negotiation teams, ~$0.2–0.3B annually
Federal Health Programs	8–10	0.5	Administrative integration for Indigenous/veteran health, ~$0.5B initially
Employment Insurance (EI)	2–3	0.1–0.2	EI agency setup, ~$0.1–0.2B; potential benefit increases, ~$0.5B annually
Canada Pension Plan (CPP)	3–6	0.2–0.3	Alberta Pension Plan setup, ~$0.2–0.3B
Border & Customs Services	0.3–0.5	0.1–0.2	Customs facilities, ~$0.1–0.2B
Federal Policing (RCMP)	0.74–0.76	0.37	Police training and infrastructure, ~$0.366B
Indigenous Services	4.2–5	0.05–0.1	Increased funding ($2.4–3.2B), administrative systems, ~$0.05–0.1B
Other Federal Services (e.g., federal courts, regulatory, Canada Post, NAV Canada)	0.98–1.34	0.2–0.39	Regulatory agency setup, ~$0.18–0.37B Federal Courts setup ~$0.02B
Total	**22.7–31.6**	**2.8–5.7**	**~2.82–5.72B initially, ~3.47–4.57B annually**

NOTES:

- **Initial Setup Costs:** ~$2.8–5.7 billion for infrastructure and administrative systems, requiring new funds or debt financing, as these are one-time expenses not covered by current provincial budgets

- **Initial Capital Funds:** Primarily needed for capital investments (e.g., defense equipment, embassies) and expanded services (e.g., Indigenous services increase of $2.4–3.2 billion). These could be funded by reallocating the $44-47 billion over-contribution
- **Indigenous Services:** Increased to $4.2–5 billion annually ($1.2–1.8 billion base + $2.4–3.2 billion new funding) to support the transition to sovereign, self-governing Indigenous communities
- **For a point of reference**, the vast majority of services encountered by Albertans are already provided by government within the province, many of which could well be privatized with proper oversight and regulation by the government

Current Provincial Jurisdiction	Current Municipal Jurisdiction
Colleges and universities	Animal Control
Driver's Licensing and Highways	Fire Protection
Education	Urban Land use planning
Healthcare	Local parks and recreation
Municipalities	Local police
Natural Resources	Property taxes
Property and civil rights	Public transportation
Provincial law and courts	Street and sidewalks
Social services	Waste management
	Water supply and treatment

CANADA PENSION PLAN TRANSFER TO AN ALBERTA PENSION PLAN

To estimate the asset base and annual revenue of an Alberta Pension Plan (APP) if Alberta's past contributions to the Canada Pension Plan (CPP) were transferred and continued to provide historical returns, we consider available data on Alberta's contributions, the proposed asset transfer, and historical CPP investment returns.

Key Assumptions and Data

- **Alberta's CPP Contributions:**
    - Albertans receive an estimated at $3–6 billion annually in CPP benefits, based on prior discussions. For historical context, a 2019 estimate suggests Alberta contributed $7.3 billion, receiving $4.5 billion in benefits, implying an over-contribution of $2.8 billion
    - Historical data from 2017 indicates Alberta accounted for 16.5% of total CPP contributions, suggesting a significant share over time. *Ref: LifeWorks 2023: Alberta Pension Plan – Analysis of Costs, Benefits, Risks and Considerations)*
- **Historic views on Asset Transfer:**
    - Cumulative contributions since CPP's inception (1966) are debated, with estimates ranging from 16% (CPP Investment Board, CPPIB) to 53% (Alberta government report) of CPP assets, due to differing interpretations of the Canada Pension Plan Act's transfer formula
    - The asset base for an APP would depend on the transferred amount from the CPP, reflecting Alberta's historical contributions and their compounded returns
    - **High Estimate ($334 billion):**
        - Based on the Alberta government's 2023 report, Alberta would receive $334 billion in 2027, representing 53% of CPP's base assets (which are growing)
        - This assumes Alberta's contributions, compounded with historical investment returns, justify a majority share, as per the Canada Pension Plan Act's formula
    - **Low Estimate ($100 billion):**
        - The CPPIB estimates Alberta's share at 16% of CPP assets, or ~$100 billion, based on contributions since 1966
- **Proposed Asset Transfer for This Document:**
    - While the authors believe that the full $334 billion is owed, the assumption for this plan assumes Alberta receives $167 billion in 2026 (half of Alberta's $334 billion claim vs. CPPIB's $100 billion estimate), reflecting a compromise on historical contributions and returns
- **Historical CPP Returns:**
    - The CPP Investment Board reports an annualized nominal return of 10% over the past decade (2013–2023)
    - As of June 30, 2024, CPP Investments manages $646 billion in assets for 22 million Canadians
    - For simplicity, we assume a nominal 10% annualized return continues for the APP, applied to the transferred asset base, acknowledging that actual returns vary (e.g., market fluctuations, management differences)
- **Annual Revenue:**
    - Annual revenue for the APP would include investment returns on the asset base plus ongoing contributions from Alberta workers and employers
    - Ongoing contributions are estimated at $3–6 billion annually, consistent with 2021–2024 estimates and adjusted for economic growth
    - Investment revenue is calculated as the base multiplied by the 10% historical return rate
- **Annual Revenue:**
    - Includes investment returns (10% nominal) plus ongoing contributions ($5 billion midpoint)
- **Limitations:**
    - The $167 billion transfer is hypothetical and contested
    - Future returns are uncertain, and APP management costs (~$0.2–0.3 billion setup, $0.1–0.2 billion annually) are not subtracted but noted

Debate on Estimated Asset Base

The belief of the writers is that the full $334 billion is owed to Alberta as laid out in the LifeWorks report and as spelled out in the governing Canada Pension Plan Act (section 113(2)) plus any subsequent returns.

However, in the interest of being extremely conservative for the purposes of this analysis only, and to estimate the annual revenue of an Alberta Pension Plan (APP) we are basing this calculation on the speculation that Alberta receives half of its claimed $334 billion CPP asset transfer (i.e., $167 billion) and continues to achieve historical CPP returns.

Key Assumptions

- **Historical CPP Returns:**
  - The CPPIB reports an annualized return of 10% over the past decade (2013–2023)
  - We assume the APP achieves a 10% annualized return on the $167 billion asset base, acknowledging potential variability in future returns
- **Ongoing Contributions:**
  - Alberta's CPP contributions are estimated at $3-6 billion annually (2021–2024), with **$5 billion** used to be conservative, based on prior estimates and 2019 data ($7.3 billion contributed, $4.5 billion in benefits)
  - Contributions continue at this level for the APP
- **Timeframe:**
  - The asset transfer occurs in 2026, with one year of growth at 10% to estimate the 2026 asset base
  - Annual revenue is calculated for 2026, combining investment returns and ongoing contributions
- **Limitations:**
  - The correct calculation of CPP assets to Alberta is the $334 billion as per the LifeWorks report. The use of a $167 billion transfer is a hypothetical midpoint, not an official figure
  - Historical contribution data is approximate, and precise figures require verification
  - Future returns are uncertain, and APP management costs (~$0.2–0.3 billion initially, $0.1–0.2 billion annually) are not subtracted for simplicity but noted as a factor

Estimated Asset Base for Calculation

The APP's asset base starts with the $167 billion transfer in 2026, with one year of growth at 10%:

- **Calculation:** $167 billion × 1.10 = $183.7 billion
- **Asset Base (2026):** $183.7 billion

Estimated Annual Revenue

Annual revenue for the APP includes investment returns on the asset base plus ongoing contributions from Alberta workers and employers.

- **Investment Returns:**
  - $183.7 billion × 0.10 = $18.4 billion
- **Ongoing Contributions:**
  - Estimated at $5 billion annually (midpoint of $3–6 billion, consistent with 2021–2024 estimates)
- **Total Annual Revenue (2025):**
  - $18.4 billion (returns) + $5 billion (contributions) = $23.4 billion

Comparison to Current Contributions

- Albertans currently receive $3–6 billion annually from CPP, with an estimated overpayment of $2.9–5 billion due to its younger workforce and higher employment rate (e.g., $7.3 billion contributed vs. $4.5 billion in benefits in 2019)
- An APP with a $23.37 billion annual revenue significantly exceeds current CPP contributions ($9-11 billion), potentially allowing:
  - **Lower Contribution Rates:** Reducing rates from the CPP's 9.9% (base rate) to ~5.9%, as suggested by some analyses
  - **Enhanced Benefits:** Increasing pension payouts or disability benefits
  - **Surplus Funds:** Covering the estimated $3–6 billion annual APP cost (from prior discussions) and contributing to other priorities (e.g., infrastructure, tax cuts)
  - **Conservative options to ensure benefits are sustainable long term** for what is a currently younger workforce ages

Implications for an Independent Alberta

- **All APP funding will remain in the APP and not enter as general revenue and will be used only to support pensioners now and in the future**
- **Fiscal Impact:** The APP's $183.7 billion asset base and $23.4 billion annual revenue would provide substantial fiscal capacity
- **Funding New Services:** The $23.4 billion APP revenue alone covers the $3–6 billion pension cost, with excess funds supporting other services such as replacing the Canadian OAS or reducing contribution rates
- **Risks:** The $167 billion transfer is a compromise estimate and may face legal or political challenges. Market volatility could reduce returns, and initial APP setup costs (~$0.2–0.3 billion) require upfront investment
- **Alberta would undertake to pay all pensions** out of surplus fiscal capacity if necessary to guarantee the security of Alberta pensioners through the transition to Alberta Independence

RCMP FUNDING AND POLICING

This section examines the RCMP cost-sharing structure, Alberta's payments, and implications for an independent Alberta.

There are non-financial benefits in greater Albertan control over policing, including ability to focus on crime, drug abuse (fentanyl) and ensuring our borders are properly controlled.

Policy-wise, increased focus on crime reduction and ensuring that the system is aimed at protecting Albertans, not criminals, are broadly sought by Albertans.

There would need to be an intention that those RCMP who moved into an Alberta Police force would be given protection for their seniorities and pensions. **That is not costed in this document**, in part as it would be a topic of negotiation with Canada, resolvable either by transfer of funds to Alberta or payment directly to pensioners from Canada. In any event such funds payable by Alberta would be immaterial in the context of the projected fiscal capacity surplus.

RCMP Cost-Sharing Structure in Alberta

- **Contract Policing Agreements:** Alberta contracts the RCMP under the Provincial Police Service Agreement (PPSA) and Municipal Police Service Agreements (MPSA):
  - Provincial Policing: Alberta pays 70%, federal government 30%
  - Municipal Policing (>15,000): Municipalities pay 90%, federal government 10%
  - Smaller Municipalities (<15,000): Alberta pays 70%, federal government 30%
- **Federal Policing:** The RCMP also provides federal policing services (e.g., national security, organized crime), fully funded by the federal government, included in its $3.7 billion national RCMP budget (2024–25)

Alberta's RCMP Costs

- **Total Policing Costs:** In 2021, Alberta's total policing costs were approximately $595 million, broken down as:
  - **Provincial Cost:** $358 million (70% of provincial RCMP contract)
  - **Municipal Cost:** $196 million (90% for larger municipalities, 70% for smaller ones)
  - **Alberta Sheriffs:** $41 million (provincial contribution)
  - **Federal Contribution:** $188 million (30% for provincial and smaller municipalities, 10% for larger ones)
- **Recent Increases:** RCMP collective agreements increased costs by 39% in smaller communities (2024), with Alberta covering some increases temporarily
- **Provincial Estimates:** A 2021 PricewaterhouseCoopers report estimated Alberta's RCMP cost at ~$500 million annually (provincial and municipal share), with the federal government contributing ~$170–188 million

Are Federal Fees Included in Alberta's Tax Contributions?

The taxes and premiums paid by Albertans to the federal government funds federal services, including the RCMP's federal policing activities (e.g., national security). However, the specific fees Alberta pays for RCMP contract policing are not directly included in these tax contributions, as they are separate payments under the PPSA and MPSA, billed to the province and municipalities.

- **Contract Policing Fees:** Alberta's $554 million ($358 million provincial + $196 million municipal) for RCMP services is separate from the $68-75 billion federal tax contributions, as these are direct payments under PPSA/MPSA, not federal taxes
- **Federal Contribution:** The $170–188 million federal subsidy is funded from federal budgets, indirectly supported by Alberta's $68-75 billion taxes

Implications for an Independent Alberta

In the context of an independent Alberta, as discussed previously:

- **Current RCMP Costs:** Alberta's $554 million ($358 million provincial + $196 million municipal) for contract policing is separate from the $68-75 billion federal tax contributions. The federal contribution ($170–188 million) would be paid out of recovered federal tax revenues, not requiring Alberta to cover the full cost
- **Estimated Cost for Replacement:** Our estimates suggested $0.7-0.75 billion annually to replace RCMP services (provincial and federal policing), with $0.1–0.2 billion in setup costs. A 2021 report estimated a provincial police force would cost $734–759 million annually, plus $366 million in startup costs, compared to the current $500–595 million for RCMP
- **Pension support for RCMP** personnel who transfer to an Alberta Police service is a highly desirable policy, supportable within this financial framework

Federal Services with RCMP Clarification

Table 2 (pg 7) shows RCMP policing costs and confirming that contract policing fees are not included in the $68-75 billion tax contributions, specifically considering:

- **Not Included in Tax Contributions:** The $554 million Alberta pays for RCMP contract policing (provincial and municipal shares) is separate from the $68-75 billion federal tax contributions, as these are direct payments under PPSA/MPSA agreements, not federal taxes
- **Federal Contribution:** The $170–188 million federal subsidy (30% provincial, 10% municipal) is funded from federal budgets, which Alberta's taxes (e.g., PIT, CIT) indirectly support. Thus, a portion of the $68-75 billion contributes to federal policing but not the contract fees Alberta pays directly

Independence Impact

An independent Alberta would need to fund the full $734–759 million for a provincial police force (replacing both contract and federal policing), an increase of $164–259 million over current costs, plus $366 million in setup costs.

Other benefits of an independent Alberta police force include enhancement of rural and urban policing, brought about by a police force which is accountable to Alberta and its people, far more directly than having accountability to a distant Ottawa.

ANALYSIS OF SPECIFIC FEDERAL SERVICES AND ALBERTA'S PAYMENTS

The $60–65 billion annual tax contributions from Alberta fund a wide range of ineffective and inefficient federal services not favourable to Alberta, including lackluster defense, international relation which all too often slander Alberta resource industries but which also include defense, international relations (e.g. Five Eyes) as well as ineffective federal policing.

However, some services involve direct payments or fees from Alberta (province, municipalities, or residents) that are not included in these tax estimates, as they are billed separately, similar to the RCMP contract policing costs.

Below is a list of key federal services that involve direct payments or cost-sharing by Alberta, beyond the tax contributions, with estimated costs and whether they require new funds for an independent Alberta.

1. Indigenous Services Funding

- **Federal Role:** Indigenous Services Canada (ISC) and Crown-Indigenous Relations provide funding for on-reserve services (e.g., education, health, infrastructure), with a 2024–25 budget of ~$24 billion nationally. Alberta receives a portion, but some costs are shared with provinces
- **Alberta's Payments:** Alberta contributes to Indigenous services through provincial programs (e.g., education, health for off-reserve Indigenous populations) estimated at $200–300 million annually, separate from federal taxes. These are provincial budget expenditures, not part of the $68-75 billion federal tax contributions. Federal funding to Alberta's Indigenous communities ($1–1.5 billion annually, based on 11.6% population share) is included in the $22-26 billion federal transfers
- **Funds Needed:** The federal share and the desired increase ($4.2–5 billion) through constitutionalized resource revenue sharing would require funds, covered by the $44-47 billion net contribution. Provincial contributions ($200–300 million) are already budgeted
- **Independence Impact:** Alberta would fund $4.2–5 billion annually ($1.2–1.8 billion base + $2.4–3.2 billion funding for sovereign, self-governing communities), with $0.05–0.1 billion setup
- **Greater Support for Indigenous Peoples** would be an extremely worthwhile goal for an independent Alberta, with the intent to give them a stronger, more independent and inalienably sovereign position within the independent Alberta and fully endorse their rights
  - A plausible approach can be found in this document
  - Indigenous communities could be restructured as sovereign, self-governing entities who would no longer need governmental approval for a wide range of businesses including but not limited to: casino gaming, lotteries and other economic endeavours which are currently over-controlled and regulated by provincial and federal governments
  - Funds would be paid into community trusts to create permanent community self-sufficiency beyond the transitional time

2. Federal Regulatory and Licensing Fees

- **Federal Role:** Agencies like the Canadian Radio-television and Telecommunications Commission (CRTC), Transport Canada, and Fisheries and Oceans Canada charge fees for licenses (e.g., telecommunications, aviation, fishing), partially funding their operations. National budgets include CRTC ($70 million) and Transport Canada ($2 billion) in 2024–25
- **Alberta's Payments:** Albertans and businesses pay fees for:
  - Telecom Licenses: ~$20–30 million annually (14% of CRTC's fee-based revenue)
  - Aviation Licenses: ~$10–20 million (based on Alberta's aviation sector)
  - Other Licenses (e.g., fishing, firearms): ~$10–20 million
  - These fees, totaling ~$40–70 million annually are user-based and not within the $68-75 billion tax contributions
- **Estimated Cost:** ~$40–70 million annually
- **Independence Impact:** Alberta would need to establish regulatory agencies, costing ~$100–200 million annually (scaled from national budgets). User fees could offset costs, with setup costs of ~$20–50 million
- **Funds Needed:** Minimal, as fees cover ongoing costs
- **Alberta's Payments:** ~$40–70 million annually (telecom: $20–30 million, aviation: $10–20 million, other: $10–20 million), user-based, not in $68-75 billion taxes

3. Canada Post Services

- **Federal Role:** Canada Post, a Crown corporation, provides postal services across Canada, funded primarily through user fees (e.g., stamps, parcel delivery) rather than federal taxes. Its 2024 operating budget is ~$3 billion nationally, with revenue from services covering costs
- **Alberta's Payments:** Albertans pay directly for postal services through user fees (e.g., stamp prices, business shipping rates). These fees are not part of the $68-75 billion tax contributions, as they are transaction-based and flow to Canada Post, not federal tax revenue
- **Estimated Cost:** Alberta's share of postal fees is proportional to its population (11.6%) and economic activity (~14%). Assuming $3 billion in national revenue, Alberta's payments are ~$350–420 million annually (11.6–14% of $3 billion)
- **Independence Impact:** An independent Alberta would have significant choices, the most favourable and consistent with the "small government" approach that Alberta favours would be to use private provision of these services via existing courier and package carriers (e.g. FedEx, UPS)
  - It would then not need its own postal service or contract with Canada Post. Costs would remain ~$350–420 million annually, funded by user fees, not requiring new tax revenue
  - In the event that an "Alberta Post" were in fact pursued, setup costs for a new postal system (e.g., infrastructure, sorting facilities) could be ~$50–100 million initially
  - If these services were done privately, the set-up cost to the province would be insignificant, primarily being monitoring and tendering the service provision on a regular basis
- **Funds Needed:** Minimal, as user fees cover costs

4. Airport and Air Navigation Services (NAV Canada)

- **Federal Role:** NAV Canada, a private non-profit, manages air navigation services (e.g., air traffic control), funded by user fees from airlines and passengers, not federal taxes. Airports in Alberta (e.g., Calgary, Edmonton) are operated by local authorities but pay federal rents or fees for federally owned land (pre-1990s transfers) and air security charges to the Canadian Air Transport Security Authority (CATSA), funded partly by federal budgets and user fees
- **Alberta's Payments:** Alberta airports and passengers pay:
  - **NAV Canada Fees:** Charged to airlines and passed to passengers via ticket prices, estimated at ~$150–200 million annually for Alberta (based on 14% of Canada's $1.4 billion NAV Canada revenue in 2023)
  - **Federal Airport Rent:** Calgary and Edmonton airports pay ground lease rents to the federal government, estimated at $50–100 million annually (based on historical data, e.g., $366 million nationally in 2018)
  - **Air Security Charges:** CATSA's $1 billion national budget (2024) includes passenger fees ($7–25 per flight). Alberta's share, based on passenger volume, is ~$100–150 million annually
  - ***These fees are not included*** in the $68-75 billion tax contributions, as they are user-based or direct payments to federal entities
- **Estimated Cost:** ~$300–450 million annually (NAV Canada: $150–200 million, airport rent: $50–100 million, CATSA fees: $100–150 million)
- **Independence Impact:** Alberta would need to establish air navigation and security services, costing ~$300–450 million annually, funded by user fees. Federal airport rents would cease, saving $50–100 million. Setup costs for a new air authority could be ~$50–100 million initially
- **Funds Needed:** Minimal, as user fees cover ongoing costs

5. Other Minor Federal Fees

- **Federal Role:** Services like passport issuance, citizenship applications, and federal park access involve user fees, not funded by taxes
- **Alberta's Payments:** Albertans pay ~$20–30 million annually for passports and citizenship fees (based on population share and fee schedules, e.g., $120 per passport). These are not part of the $68-75 billion tax contributions
- **Estimated Cost:** ~$20–30 million annually
- **Independence Impact:** Alberta would administer its own passport and citizenship systems, costing ~$20–30 million annually, funded by fees. Setup costs could be ~$10–20 million
- **Funds Needed:** Minimal, as fees cover costs

Total Costs Outside Tax Contributions

- **Annual Costs:** ~$910–1,270 million ($0.91–1.27 billion), including:
  - Canada Post: $350–420 million
  - Airport/NAV Canada/CATSA: $300–450 million
  - Indigenous Services (provincial share): $200–300 million
  - Regulatory/Licensing Fees: $40–70 million
  - Other Fees: $20–30 million
- **Initial Setup Costs:** ~$180–370 million for new systems (postal, air navigation, regulatory, passport)
- **Relation to Tax Contributions:** These costs are outside the $68-75 billion tax contributions, as they are direct user fees or provincial payments, similar to RCMP contract fees ($554 million). The federal share of these services (e.g., $170–188 million for RCMP, $1–1.5 billion for Indigenous services) is indirectly funded by Alberta's taxes but not directly billed to Alberta

OVERVIEW OF AN INTEGRATED INDEPENDENT ALBERTA FINANCIAL LANDSCAPE

This analysis integrates a fiscal landscape of an independent Alberta, incorporating both the replacement of federal services and Alberta's existing provincial budget, expenditures, and taxation.

This analysis estimates the total revenue available (federal taxes retained plus provincial taxes), total expenditures (federal services plus provincial spending), and the resulting fiscal balance.

An underlying assumption in these calculations is that in recognition of the need to ensure long term fiscal responsibility for the Independent Alberta government using spending limits and controls will be embedded into the Alberta Constitution including:

- **Balanced Budget Requirement**
  - Mandate that the government maintain a balanced budget over a defined economic cycle (e.g., 4-5 years), allowing deficits during economic downturns but requiring repayment within a set timeframe
  - Include exceptions for emergencies (e.g., natural disasters, economic crises) with strict criteria and legislative approval (e.g., supermajority vote)
- **Debt Limits**
  - Cap total public debt as a percentage of GDP (e.g., 20-30%) to prevent unsustainable borrowing
- **Transparency and Reporting**
  - Require the government to publish quarterly audited, detailed, easy-to-understand budget reports, including revenue sources, expenditures, and long-term fiscal projections
- **Spending Oversight**
  - Require legislative supermajority (e.g., two-thirds) approval for significant spending increases or new programs exceeding a set percentage of the budget
  - Prohibit off-budget spending or hidden liabilities (e.g., unfunded pension obligations)
  - Require taxpayer approval for any budget which imposes additional taxes
- **Taxation Principles**
  - Enshrine a commitment to low, simple, and transparent taxation, requiring any new taxes or rate increases to be approved by a referendum
- **Resource Revenue Management**
  - Establish a constitutionally protected sovereign wealth fund with clear rules for fund contributions to save a portion of resource revenues for future generations
  - Require mandatory regular royalty rate review to assess necessary adjustments royalties based on results and on projections. Highly desirable is to define a royalty mechanism/formula to moderate downturns or capitalize on windfall profits to allow Albertans to share in windfall profits in cases of energy price increases and reduce royalties to ensure the resource industry remains viable in downturns

- **Long-Term Fiscal Planning**
  - Mandate multi-year fiscal frameworks (e.g., 10-year plans) to ensure sustainability and alignment with economic and demographic trends
  - Require stress-testing of budget resilience against potential economic shocks (e.g., commodity price drops)
- **Constitutional Enforcement**
  - Utilize the second house of government (Senate) or potentially a constitutional court to adjudicate disputes over fiscal accountability provisions
  - Ensure amendments to fiscal rules require broad consensus (e.g., public referendum) to prevent political manipulation

Key Assumptions

Federal Tax Contributions (2021-2024)

- Alberta's federal tax contributions are estimated at $68-75 billion annually, with $22-26 billion returned in transfers, yielding an over-contribution of $46–49 billion
- Components:
  - Personal Income Tax (PIT: $35–37 billion)
  - Corporate Income Tax (CIT: $10–11 billion)
  - Goods and Services Tax (GST: ~$9 billion)
  - Excise Taxes ($2.7-2.8 billion)
  - EI/CPP ($15-17 billion)
- An independent Alberta would retain the full $68-75 billion, replacing federal transfers with its own services

Federal Services Costs:

- Estimated at $22.7–31.6 billion annually, with $2.8–5.7 billion in initial setup costs (one-time), based on the prior table:
  - National Defense: $3–5 billion annually, $1–2 billion setup
  - International Relations: $0.5–1 billion annually, $0.2–0.3 billion setup
  - Health Programs: $8–10 billion annually, $0.5 billion setup
  - EI: $2–3 billion annually, $0.1–0.2 billion setup
  - PP: $3–6 billion annually, $0.2–0.3 billion setup
  - Border/Customs: $0.3–0.5 billion annually, $0.1–0.2 billion setup
  - Policing (RCMP replacement): $0.74–0.76 billion annually, $0.37 billion setup
  - Indigenous Services: $4.2-5 billion annually, $0.05-0.1 billion setup
  - Other Services (e.g., Federal courts, Canada Post, regulatory): $0.91–1.27 billion annually, $0.2–0.4 billion setup
- Additional fees (e.g., Canada Post, NAV Canada) are user-funded or covered by the $47-50 billion net contribution
- $22.7-31.6 billion annually, $2.846–5.736 billion setup

Alberta's Provincial Budget (2025–26):

- **Revenue:** $74.1 billion, including $17.1 billion from non-renewable resources, $123 million increase in education property taxes, and a new 8% PIT bracket for income up to $60,000 (effective January 1, 2025), but without the $4 billion disaster contingency funding
- **Expenditures:** $75.3 billion, including $2.6 billion for schools, $1.1 billion for family/social supports/housing, $2.5 billion for roads/bridges
- **Deficit:** $1.2 billion (per Fraser Institute) to $5.2 billion (per RBC, Scotiabank, EY), reflecting conservative revenue projections and spending increases
- **Debt:** Alberta's provincial debt is $78.4 billion (2023), with interest costs included in expenditures

Alberta Pension Plan (APP):

- Using the very conservative case of a $167 billion CPP asset transfer (half of Alberta's $334 billion actually owed), the APP asset base in 2025 is $183.7 billion, generating $23.4 billion annually ($18.4 billion investment returns at 10%

+ $5 billion contributions)

- This covers the $3–6 billion annual CPP cost, with surplus revenue reducing the need for new contributions
- Needless to say, if Alberta receives the full funding as laid out in the LifeWorks report ($334b), these numbers would roughly double

Limitations:

- Federal tax contribution estimates are approximate
- Provincial budget figures are from 2025–26 projections, subject to change based on economic conditions (e.g., oil prices)
- Setup costs for federal services are one-time but may spread over years, impacting initial budgets

Total Revenue for an Independent Alberta

An independent Alberta would retain both federal and provincial revenues:

- **Federal Taxes Retained:** $68-75 billion annually (PIT, CIT, GST, Excise Taxes, EI/CPP)
- **Provincial Revenue:** $74.1 billion (2025–26), including:
  - Non-renewable resources: $17.1 billion
  - Education property taxes: Includes the projected $123 million increase
  - PIT with new 8% bracket for income up to $60,000 (reducing revenue slightly but offset by other taxes)
- **APP Revenue:** $23.4 billion ($18.4 billion returns + $5 billion contributions, with contributions already in federal/provincial totals)
- **Total Revenue (Excluding APP Overlap):**
  - $68-75 billion (federal) + $74.1 billion (provincial) = $142.1-149.1 billion annually
    - Note: The $5 billion APP contributions are included in the $5–9 billion EI/CPP federal estimate, so not double-counted
- **Surplus from APP:** The $23.37 billion APP revenue covers the $3–6 billion pension cost, leaving a potential surplus of $17.37–20.37 billion for other uses (e.g., reducing contribution rates, enhancing benefits)

Total Expenditures for an Independent Alberta

Expenditures include current provincial spending plus the cost of replacing federal services:

- **Provincial Expenditures:** $75.3 billion (2025–26), covering healthcare, education, infrastructure, and social services.
- **Federal Services Replacement:** $22.7-31.6 billion annually, including:
  - National Defense: $3–5 billion annually, $1–2 billion setup
  - International Relations: $0.5–1 billion annually, $0.2–0.3 billion setup
  - Health Programs: $8–10 billion annually, $0.5 billion setup
  - EI: $2–3 billion annually, $0.1–0.2 billion setup
  - CPP: $3–6 billion annually, $0.2–0.3 billion setup
  - Border/Customs: $0.3–0.5 billion annually, $0.1–0.2 billion setup
  - Policing (RCMP replacement): $0.74–0.76 billion annually, $0.37 billion setup
  - Indigenous Services: $4.2-5 billion annually, $0.05-0.1 billion setup
  - Other Services (e.g., Judges, Canada Post, regulatory): $0.98–1.34 billion annually, $0.2–0.39 billion setup
- **Total Annual Expenditures:** $75.3 billion (provincial) + $17.1 to 30.2 billion (federal services) = $98–106.9 billion
- **Setup Costs:** $2.8–5.8 billion, assumed as a one-time expense in the first year or amortized over several years (e.g., $1.0–1.9 billion annually over 3 years

The authors note, *based on experience in large scale information technology projects, that there are considerable improvements which can be achieved by using modern systems, AI where appropriate and streamlining and simplifying processes as regulations also will be simplified. Estimates of cost improvement are not included in this document, but experience suggests cost reductions as high as 50% are plausible*

Fiscal Balance

- **Revenue:** $142.1-149.1 billion
- **Expenditures** (Ongoing): $91.8–105 billion

- **Surplus (Excluding Setup):** $29.4-48.3 billion
- **Surplus (With Setup taken entirely in first year):** $23.6-45.5 billion
- **APP Surplus:** $17.4–20.4 billion, potentially reducing contribution rates

Comparison to Current Fiscal Position

- **Current Provincial Budget (2025–26):** Revenue of $74.1 billion, expenditures of $75.3 billion, and a deficit of $1.2–5.2 billion
- **Current Federal Contributions:** Alberta's $68-75 billion in federal taxes yields a net loss of $44-47 billion after $22-26 billion in transfers
- **Independence Impact:** Retaining $68-75 billion in federal taxes eliminates the $44-47 billion net loss, covers federal services ($16.4–29.5 billion), and, combined with provincial revenue, creates a significant surplus ($26.3–44.3 billion), even with setup costs, compared to the current $1.2–5.2 billion deficit
    - In the interests of being very conservative, this document has not factored in a number of very positive contributions which would be gained by an independent Alberta
        - Economic impact of the massive external investment in what would be one of the lowest taxed, least regulated economies in the world can hardly be overstated. The economic activity gained by recovering the $500 billion in investment lost due to Canadian Federal government regulations and taxation would add substantially to this fiscal position
        - The Frontier Centre for Public Policy also identifies that gaining international markets for Albertan oil and gas would add an additional $26.5 billion to this fiscal position

Implications for an Independent Alberta

- **Fiscal Capacity:** While it is not desirable to continue taxation at the current levels in an independent Alberta, the preference being to provide tax reductions to Alberta citizens, this analysis show a very strong fiscal capacity with a $229.4-48.3 billion surplus (or $3.6-45.5 billion with setup costs) which optionally allows significant investments in infrastructure ($2.5 billion currently), healthcare, education ($2.6 billion), or economic diversification
- **Tax Reductions for Albertans:** A very strong contender for the projected surplus is direct tax reductions.
    - Using the low end of the financial capacity (~$29 billion) and applying it to selected tax reductions, you can see it is possible in the New Alberta to eliminate the Federal GST as well as eliminate the current provincial Personal Income Taxes and Corporate Income Taxes
    - If the high end of the financial capacity (~$47 billion) is applied to selected tax reduction, it is within the range of possibility, considering the variability in the numbers, to eliminate all the current Federal Personal and Corporate Income Taxes (PIT, CIT)
    - This still allows the New Alberta government to have a balanced budget especially with the assumption that there would be a drive to streamline and a drive to increase government efficiency, eliminating waste and optimizing its services as an independent nation
    - This analysis does not seek to rethink the taxation approaches, but even cursory examination shows that an Independent Alberta could very easily pursue a wide range of tax reductions including flat tax rate for PIT and CIT (on the order of 10%), alongside a AST/Consumption tax similar to the current GST, potentially with rates lower than 5%

Table 3 – Potential Reduction in Citizen Taxation

Low Case (Remove GST and Provincial Income Taxes)

		Current	Proposed	Reduction
Federal Taxes ($ millions)	**PIT**	$35,000	$35,000	$0
	CIT	$10,500	$10,500	$0
	GST	$9,100	$0	$9,100
	Excise	$2,700	$2,700	$0
	EI/CPP	$15,900	$15,900	$0
		$73,200	$64,100	$9,100
Provincial Taxes ($ millions)	**PIT**	$14,000	$0	$14,000
	CIT	$5,000	$0	$5,000
	Property	$2,500	$2,500	$0
	Other	$750	$750	$0
		$22,250	$3,250	$19,000
Total Tax Collected		$95,450	$67,350	-$28,100
Average Tax/Citizen *(real $)*		$38,180	$26,940	-$11,240
			Tax Reduction	**29%**

High Case (Remove GST and Provincial Income Taxes)

		Current	Proposed	Reduction
Federal Taxes ($ millions)	**PIT**	$37,000	$0	$37,000
	CIT	$11,00	$0	$11,000
	GST	$9,100	$9,100	$0
	Excise	$2,800	$2,800	$0
	EI/CPP	$17,400	$17,400	$0
		$77,300	$29,300	$48,000
Provincial Taxes ($ millions)	**PIT**	$14,000	$14,000	$0
	CIT	$5,000	$5,000	$0
	Property	$2,500	$2,500	$0
	Other	$750	$750	$0
		$22,250	$22,250	-
Total Tax Collected		$95,450	$51,550	-$48,000
Average Tax/Citizen *(real $)*		$38,180	$20,620	-$17,560
			Tax Reduction	**46%**

- **Debt Management:** Alberta's $78.4 billion debt (2023) could be reduced rapidly with the surplus, lowering interest costs (included in $75.3 billion expenditures)
- **APP Advantage:** The $17.4–20.4 billion APP surplus could lower pension contribution rates (e.g., from 9.9% to 5.9%) or enhance benefits, boosting disposable income
- **Risks:** Economic volatility (e.g., declining oil prices, reducing $17.1 billion resource revenue) or trade disruptions could impact revenue. Setup costs may require short-term debt if not amortized

Currency Considerations and Discussion

- Following its independence from Canada and declaration of sovereignty, Alberta introduces the Alberta Dollar (ABD) as its national currency to cement economic independence. To facilitate a seamless transition, Alberta temporarily adopts the U.S. Dollar (USD), capitalizing on its global stability while developing the ABD's framework
- The ABD would partially be backed by a newly established gold, Bitcoin and Oil reserves. Gold for its international recognition as a store of value, a strategic Bitcoin allocation to embrace decentralized finance, and a newly established strategic oil reserve, leveraging the province's vast oil wealth
- This oil reserve, securely stored and transparently managed, bolsters the currency's credibility by tying it to Alberta's dominant energy sector
- Together, this tripartite backing of gold, Bitcoin, and oil positions the ABD as a stable and innovative currency, reinforcing Alberta's economic resilience and global financial standing

Swap and Credit Lines Discussion

- An independent Alberta seeking to secure swap lines and a line of credit with the United States in USD would need to leverage its economic strengths and strategic importance to negotiate favorable terms. Alberta could approach the U.S. Federal Reserve and major financial institutions, emphasizing its robust energy sector, which supplies significant oil and gas to the U.S., ensuring mutual economic benefits
- By demonstrating fiscal discipline, a stable regulatory environment, and a commitment to free trade, Alberta could build confidence in its creditworthiness
- Swap lines could be established through bilateral agreements, allowing Alberta to access USD liquidity during short-term revenue shortfalls, while a line of credit could be secured through U.S. banks or international financial institutions, backed by Alberta's resource revenues
- These mechanisms would facilitate seamless trade, stabilize Alberta's economy against commodity price volatility, and provide a buffer for unlikely, but unforeseen fiscal challenges, ensuring economic resilience as a new nation.
- Appropriate reserves need to be established to pay all existing Alberta government debt and contingent liabilities

SUSTAINABILITY AND THE ENVIRONMENT

Background and Objectives

An independent Alberta, free from the constraints of the existing climate agenda, could pursue a fulsome environmental strategy, aimed at protecting, enhancing and maintaining the natural environment and beauty which all citizens value.

We anticipate that a focus on these natural landscapes, plant and animal life without the narrow focus on carbon would result in a durable, sustainable and resilient ecology of an Independent Alberta.

The additional interest in providing carbon to the benefit of the ecology could harness its vast natural landscapes—**12.1 million hectares of grasslands, peat lands and swamps, 5.3-6.6 million hectares of foothills vegetation, and 6.6-7.9 million hectares of mountain forests**—to implement a pragmatic carbon strategy.

By adopting practices like rotational grazing (0.5-3 tonnes C/ha/year), reforestation and sustainable forestry in foothills (0.5-5 tonnes C/ha/year), and species diversification with peatland protection in mountains (0.5-3 tonnes C/ha/year), Alberta could sequester **10-33 Mt C/year** (37-122 Mt CO_2e/year).

This approach, driven by local priorities rather than external climate mandates, enhances biodiversity and soil fertility. Risks like wildfires, climate shifts, and land use conflicts require careful management, but Alberta's resource wealth and policy autonomy enable a sustainable, self-determined environmental future.

Alberta's Non-Cultivated Land – a Natural Resource

1. Grasslands

- **Area:** The Grassland Natural Region in Alberta covers approximately **12.1 million hectares.** This region, which includes areas like the Foothills Fescue Subregion, extends west to the Rocky Mountains and north to the southern edge of the Parkland region, comprising about **14% of Alberta's total land base** (Alberta's total area is ~66.2 million hectares)
- **Context:** This includes native grasslands, such as those in the Foothills Parkland and other prairie ecosystems, but does not account for converted agricultural lands or degraded areas

2. Foothills Vegetation

- **Definition:** The Foothills Natural Region includes rolling hills, plateaus, and a mix of deciduous and mixed wood forests (e.g., aspen, poplar, white birch, balsam poplar) at lower elevations, transitioning to coniferous forests at higher elevations, as well as some grasslands and parkland areas (e.g., Foothills Parkland)
- **Area:** Exact figures for the Foothills Natural Region are less precise in the sources, but it is estimated to cover about **8-10% of Alberta's land base**, or roughly **5.3-6.6 million hectares** (based on Alberta's total area of 66.2 million hectares). This includes:
    - **Lower Foothills Subregion:** Diverse forests and some grasslands, with no specific hectare estimate but noted as a significant portion of the region
    - **Foothills Parkland:** A narrow transitional band between grasslands and forests, likely a smaller subset (estimated at ~1-2 million hectares based on its described limited extent)

3. Mountain Forestry

- **Definition:** The Rocky Mountain Natural Region includes coniferous forests (e.g., lodgepole pine, Engelmann spruce, subalpine fir) at higher elevations, montane forests, and some alpine meadows and peatlands
- **Area:** Alberta's total forest area (including foothills and mountain regions) is estimated at 35.2-38 million hectares. The Rocky Mountain region specifically is smaller, covering about 10-12% of Alberta's land base, or roughly 6.6-7.9 million hectares. This is primarily coniferous forests, with some overlap with foothills forests at lower elevations
- **Context:** The Rocky Mountain Front includes montane forests and some foothills parkland grasslands, but the forested portion dominates

Summary of Hectares

- **Grasslands:** ~12.1 million hectares (14% of Alberta)
- **Foothills Vegetation:** ~5.3-6.6 million hectares (8-10% of Alberta, including mixed wood forests, grasslands, and parkland)
- **Mountain Forestry:** ~6.6-7.9 million hectares (10-12% of Alberta, primarily coniferous forests)

Plausible Carbon Strategy for Alberta's Grasslands, Foothills, and Mountain Forests

Strategy Overview

- **Grassland Management:**
  - **Rotational Grazing:** Continue to implement adaptive multi-paddock grazing to enhance soil carbon sequestration by 0.3-0.7 tonnes C/ha/year. This involves rotating livestock to allow grass recovery, promoting deep root growth and soil organic matter
  - **Restoration of Degraded Lands:** Restore overgrazed or converted grasslands using native species (e.g., Foothills Fescue) to sequester 1-3 tonnes C/ha/year during recovery. Prioritize areas near existing grasslands for cost-effectiveness
  - **Protection:** Expand protected areas (currently ~1% of Alberta's grasslands). Conserve 2 million ha to maintain existing stocks through conservation easements or incentives to prevent conversion to cropland, preserving existing carbon (up to 200 tonnes C/ha)
- **Foothills Vegetation Management:**
  - **Reforestation and Afforestation:** Reforest 0.5 million ha of cleared/degraded areas with mixed wood species (e.g., aspen, spruce) to sequester 2-5 tonnes C/ha/year in early growth phases. Integrate trees into agricultural lands (agroforestry) for 1-2 tonnes C/ha/year
  - **Sustainable Forestry:** Reduce clear-cutting and adopt selective harvesting to maintain carbon stocks, increasing sequestration by 0.5-1 tonne C/ha/year. Lengthen harvest rotations to allow older trees to store more biomass (20-50 tonnes C/ha over decades)
  - **Grassland-Forest Integration:** Promote silvopasture systems Integrate trees with grazing on 1 million ha (trees + grazing) in foothills to combine grassland and forest sequestration benefits, targeting 1-2 tonnes C/ha/year
- **Mountain Forest Management:**
  - **Species Diversification:** Plant diverse coniferous and deciduous species (e.g., lodgepole pine, Engelmann spruce, aspen) to diversify 2 million ha of forests, boosting sequestration by 0.05-0.3 tonnes C/ha/year (total 0.55-2.3 tonnes C/ha/year)
  - **Fire Management:** Implement controlled burns and fuel reduction on 3 million ha to minimize catastrophic wildfires, preserving carbon stocks (100-250 tonnes C/ha) and maintaining sequestration rates (0.5-2 tonnes C/ha/year)
  - **Peatland Protection:** Conserve mountain peatlands to maintain their high sequestration potential (0.5-2 tonnes C/ha/year)
- **Policy and Incentives:**
  - **Research and Monitoring:** Partner with institutions like the University of Alberta to monitor soil and biomass carbon stocks, refining practices based on site-specific data. Use technologies like remote sensing for accurate monitoring the environment and tracking towards goals
  - **Community Engagement:** Educate landowners and Indigenous communities on sequestration benefits, offering training on rotational grazing, reforestation, and fire management
  - **Strengthen laws** to strongly sanction wildfires set by humans, aimed at preventing this dangerous and criminal activity

Total Sequestration Potential

GRASSLANDS	6 million ha × 0.5-2 tonnes C/ha/year	**3-12 Mt C/year**
	1 million ha restored × 1-3 tonnes C/ha/year	**1-3 Mt C/year**
	Total:	**4-15 Mt C/year**

FOOTHILLS	0.5 million ha reforested × 2-5 tonnes C/ha/year	**1-2.5 Mt C/year**
	3 million ha forests × 0.5-1 tonne C/ha/year	**1.5-3 Mt C/year**
	1 million ha silvopasture × 1-2 tonnes C/ha/year	**1-2 Mt C/year**
	Total	**3.5-7.5 Mt C/year**

MOUNTAIN FORESTS	2 million ha diversified × 0.55-2.3 tonnes C/ha/year	**1.1-4.6 Mt C/year**
	3 million ha managed × 0.5-2 tonnes C/ha/year	**1.5-6 Mt C/year**
	0.1 million ha peatlands × 0.5-2 tonnes C/ha/year	**0.05-0.2 Mt C/year**
	Total	**2.65-10.8 Mt C/year**

COMBINED TOTAL:	**10.15-33.3 Mt C/year** equivalent to **37.2-122.1 Mt CO2e/year**
	Conversion factor 1 tonne C = 3.67 tonnes CO2e)

Implementation Steps

- **Year 1-2:** Pilot rotational grazing and reforestation in priority areas (e.g., degraded foothills grasslands, post-wildfire mountain sites). Establish baseline carbon measurements
- **Year 3-5:** Scale up restoration and protection, targeting 10% of Alberta's grasslands and 5% of foothills/mountain forests
- **Year 5-10:** Expand protected areas, refine forestry practices, and integrate agroforestry. Monitor sequestration (aiming for 0.5-5 tonnes C/ha/year across ecosystems) and adjust based on research

Summary of Strategy

- **Carbon Offset:** Sequester 10-33 Mt C/year, potentially offsetting up to 46% of Alberta's emissions, contributing to climate goals
- **Ecosystem Health:** Improves soil fertility, biodiversity, and resilience
- **Scalability:** Leverages Alberta's vast land base (12.1 million ha grasslands, 5.3-6.6 million ha foothills, 6.6-7.9 million ha forests)

Risks

- **Cost:** Restoration and monitoring require significant investment (e.g., $100-$500/ha for reforestation)

Issues

- **Scale:** Implementing across millions of hectares requires coordination and policy support
- **Time Lag:** High sequestration rates (e.g., 5 tonnes C/ha/year) are temporary, declining as ecosystems mature
- **Land Use Conflicts:** Agricultural or industrial demands may compete with conservation efforts

This strategy leverages Alberta's diverse ecosystems to maximize while balancing ecological and economic goals. It requires coordinated efforts among policymakers, researchers, and landowners to overcome risks and scale up effectively.
Alberta's Sovereign Indigenous People in an Independent Alberta

ALBERTA'S SOVEREIGN INDIGENOUS PEOPLE IN AN INDEPENDENT ALBERTA

The fiscal plan for Alberta's Indigenous Nations is drafted with the utmost respect for the sovereign and indigenous people of Alberta and is in no way intended to replace or diminish treaty rights.

It will be a required subject for discussion and negotiation in the context of the development of the constitution for the Commonwealth of Alberta which could include a continued role for the Crown of Alberta in the context of any future constitutional arrangements.

It is also not the purpose of this document to in any way prejudge or predetermine the outcome of such constitutional negotiations, which will proceed with all due respect to the constitutionally protected treaty and aboriginal rights of Alberta's indigenous people and their ongoing relationship with the crown

An independent Alberta, with its fiscal surplus and control over 60% of its land base as Crown land, has a unique opportunity to fundamentally recast its relationship with Indigenous peoples by guaranteeing the inalienability of reserve lands to their respective nations explicitly within the Alberta Constitution and fostering true economic and social independence.

This approach would shift from government dependency to self-determination, addressing centuries-old challenges like poverty, addiction, violence, and marginalization. Below are plausible strategies to achieve this, integrating Indigenous-led governance, economic empowerment, and alignment with Alberta's environmental goals, while ensuring Indigenous nations fully control their own lands in perpetuity and achieve sustainable independence.

Plausible Strategies for Indigenous Land Ownership and Independence

1. Reserve Land Ownership

- **Constitutionally Enshrine Affirmation** that Indigenous Lands are Inalienably owned by Indigenous Peoples: Enshrine the current 1.6 million hectares of reserve lands (covering 48 First Nations and 8 Métis settlements) as inalienably belonging to the First Nations and Metis including subsurface rights (minerals, oil, gas), enabling communities to control resource development
- **Additional Land Allocation:** Allocate 1.6million hectares of Crown land (from Alberta's 39.7 million hectares of public land) within traditional territories for Indigenous ownership, prioritizing areas with positive environmental improvement potential (e.g., grasslands, foothills)
- **Legal Framework:** Constitutionalize treaty processes without the bureaucratically constrained Indian Act. Embed the inalienable property rights into the Alberta Constitution ensuring Indigenous nations forever have autonomy over their land use, land development, casino gaming and other local developments as well as conservation, in all cases absent of the federal Indian Act constraints

Implementation: Initiate consultations with Indigenous leaders as have already begun, and in Year 1 to complete design agreements which embody the key elements of indigenous ownership clearly and unambiguously into the Alberta Constitution.

Transfer title of an initial 0.5 million hectares of additional land by Year 5, funded by the planned $4.2-5 billion annual expenditure, supported by constitutionally supported resource revenue sharing identified in the Business Plan

2. Economic Self-Sufficiency through Resource and Revenue Control

- **Resource Revenue Ownership:** Confirm Indigenous nations 100% of resource revenues (oil, gas, minerals) from their identified lands, potentially generating an additional $1–2 billion annually (based on Alberta's $17.1 billion resource revenue proportional to land share). This replaces federal transfers ($1–1.5 billion annually) and provincial contributions ($200–300 million)
- **Indigenous-Led Environmental Management:** Enable Indigenous nations to manage 1.6 million hectares for overall environmental benefits (e.g., rotational grazing on grasslands, reforestation in foothills), aligning to overall Alberta goals
- **Business Development Fund:** Create a $2 billion Indigenous Economic Development Fund (out of the identified funding) to seed indigenous owned businesses in a wide range of enterprises including energy, agriculture, tourism, and renewables. For example, fund 1000 Indigenous-led enterprises by Year 5, creating 25,000 jobs. Mechanisms such as creation of endowments per community are a form of long term and ongoing funding for indigenous initiatives

Implementation: Launch the development fund in Year 1, disbursing $500 million annually. Partner with Indigenous financial institutions where requested.

3. Social and Health Independence

- **Sovereign Health Systems:** Fund Indigenous-led health authorities with $1–2 billion annually (increasing from $200–300 million provincial and $1–1.5 billion historical federal contributions) to build hospitals, addiction treatment centers, and mental health programs incorporating traditional practices. Target 10 new facilities by Year 5 to address addiction (affecting 20–30% of reserve populations) and mental health
- **Housing Sovereignty:** Invest $2 billion annually to construct 10,000 housing units by Year 7 on Indigenous-owned lands, enabling communities to manage housing independently. This eliminates reliance on federal Indigenous Services funding ($1–1.5 billion). Ensure that the housing is built to be fit-for-purpose, particularly to accommodate large extended families and avoiding the arbitrary (low income) house size limitations imposed by CMHC
- **Community Safety:** Support Indigenous-led policing (e.g., tribal police forces) with $300 million annually, replacing RCMP services ($734–759 million total cost). Train an additional 1,000 Indigenous officers by Year 5 to address violence, which affects Indigenous women at 2.5 times the national rate

Implementation: Establish Indigenous health authorities by Year 2, as funded. Begin housing construction in Year 1, prioritizing reserves. Partner with Indigenous organizations for policing models by Year 3.

4. Education and Cultural Autonomy

- **Indigenous Education Systems:** Allocate $1 billion annually to create Indigenous-led schools and post-secondary institutions, integrating cultural curricula (e.g., Cree, Dene, Blackfoot languages). Fund 20 new schools by Year 5, reducing dropout rates (currently 20–30% on reserves)
- **Cultural Preservation:** Invest $200 million annually in cultural centers, language revitalization, and land-based learning, empowering communities to preserve traditions independently
- **Governance Training:** Provide $100 million annually for leadership programs to enhance Indigenous governance capacity, ensuring self-determination without government oversight, with this funding being phased out when capable indigenous governance capacity has been achieved

Implementation: Launch education and cultural programs in Year 1, partnering with Indigenous colleges (e.g., Red Crow Community College). Fund governance training through existing institutions by Year 2.

5. Integration with Environmental Strategy

- **Indigenous-Owned Environmental Projects:** Transfer 1.6 million hectares of land including grasslands and foothills within the traditional indigenous territories for Indigenous-led environmental management including provision for natural carbon sequestration, yielding 0.5–5 Mt C/year
- **Traditional Knowledge Leadership:** Empower Indigenous nations to lead fire management (protecting 3 million hectares of forests, 1.5–6 Mt C/year) and peatland restoration (0.05–0.2 Mt C/year), using traditional ecological knowledge to enhance Alberta's environmental goals
- **Economic Incentives:** Fund Indigenous environmental initiatives with $500 million annually, creating 2,000 jobs in land and forest management by Year 5

Benefits

- **Self-Determination:** Land ownership and resource control eliminate dependency on federal/provincial aid, empowering Indigenous nations to govern autonomously as sovereign indigenous nations with appropriate community led checks and balances on community leadership including published audits
- **Economic Independence:** Resource revenues ($1–2 billion) create sustainable wealth, reducing poverty (40–50% on reserves) and unemployment (15–20%)
- **Complete jurisdiction** of gaming, local businesses and agriculture, including dairy operations, subject only to Alberta laws relating to the criminal activity, safety and environment
- **Social Healing:** Indigenous-led health, housing, and safety programs address addiction, violence, and housing shortages, improving quality of life for 200,000+ Indigenous Albertans
- **Environmental Synergy:** Indigenous-managed sequestration contributes 2–10 Mt C/year to Alberta's 10–33 Mt C/year goal, enhancing biodiversity and sustainability
- **Redress:** Land transfers and co-governance redress historical wrongs, building trust and partnership
- **Clear Management of Issues** through constitutionalized issue management processes and agreements to be decided at a full Constitutional conference

Risks

- **Legal Challenges:** Land transfers and resource rights may face disputes, requiring robust treaty agreements, mediation and arbitration
- **Economic Volatility:** Reliance on resource revenues risks fluctuations (e.g., oil price drops impacting revenue) offset by the creation of community endowment trusts
- **Capacity Building:** Rapid transition to traditional governance requirements may strain community resources, necessitating sustained training and immediate funding support

Issues

- **Funding Allocation:** Committing $4.2 – 5 billion annually to fund self-governance and self-reliance. This funding will require proper checks and controls
- **Consultation Complexity:** Engaging 48 First Nations, 8 Métis settlements, and urban Indigenous groups demands inclusive, transparent processes
- **Historical Trauma:** Distrust arising from past abusive Canadian federal policies (e.g., Indian Act) may slow partnership-building

Integration with Fiscal Plan

The funds for the Indigenous are set in this plan at $4.2 to 5 billion annually for these initiatives including economic development, health and housing, education and culture, and environmental projects.

By aligning Indigenous self-determination with Alberta's environmental strategy, the province can foster a sustainable, equitable future, leveraging its fiscal and natural resources to empower Indigenous nations and address historical challenges.

IMMIGRATION AND DEPORTATION PLAN

The proposed Independent Alberta immigration policy is based on Canada's 2005 points-based Federal Skilled Worker Program (FSWP), with reapplication for Canadian work permit holders and Permanent Residents (PRs) and retroactive screening.

Strong preference will be given to Canadian citizens who wish to move to an Independent Alberta, this being reflected in additional points being given for natural born Canadians with a lesser number of points for naturalized citizens.

Broadly speaking, if there is a qualified Canadian available, they will take preference over non-Canadian applicants.

There are a number of reasons for this, first of all that we want to give our like-minded Canadian brothers and sisters the easiest possible option to be part of an independent Alberta.

Secondly, they will fit easily into the Albertan culture. Thirdly, they understand Canada and its winters and have at least a fighting chance of being able to drive acceptably on snow and ice.

However, in the interests of not making large scale assumptions about the behaviour of the people of Canada in terms of immigration, this analysis is based on historical rates of immigration and therefore assumes that most immigrants will come from outside Canada.

Also key to this is that the remainder of Canada is required to accept individuals who are ineligible under the new Alberta policies, whereupon they can deal with them within the Canadian immigration policy. This is obviously a point of negotiation with Canada, but it is backstopped by Alberta's intent to deport ineligible people directly itself.

Additionally, an Independent Alberta will have as policy that any work permit or Permanent Residency cardholder who is convicted of a criminal offense and sentenced to any jail time will be deported immediately with very limited scope for appeals and considerations.

However, throughout the transition this plan proposes, there will be a need for considerable empathy and consideration for the people who would be impacted negatively. It is suggested that there may be a need to allow significant exceptions, especially for those productive and peaceful, non-criminal immigrants whose only failure was participating in the extremely unsatisfactory policies implemented by Canada since 2015.

Revised Immigration and Deportation Plan for an Independent Alberta

1. Points-Based System (Adapted from 2005 FSWP)

The plan reuses the 2005 Canadian points-based system (100 points, pass mark 67) to assess immigrants, prioritizing economic contributions aligned with Alberta's needs (energy, agriculture, technology). It applies to new applicants and existing Canadian work permit holders/PRs in Alberta.

- **Criteria:**
    - **Education** (25 points): PhD (25), Master's (22), Bachelor's (20), Diploma (15), with verification being required as detailed later in this document
    - **Language Proficiency** (24 points): Based on English IELTS/CLB scores, English being prioritized for workforce integration
    - **Work Experience + trade qualifications** (25 points): 4+ years skilled work (NOC 0, A, B: 21), 2–3 years (20), 1 year (15) along with suitable validated qualifications and detailed later in this document
    - **Canadian citizenship** (40 points for born, lifelong Canadians without a criminal record, 20 points if naturalized). This is intended to facilitate movement of Canadian citizens who seek to be part of an Independent Alberta
    - **Merit:** in addition to all of the above, exceptional qualifications with superior knowledge and skills (20)
    - **Age** (10 points): 21–49 years
    - **Self-sufficient** with pension income, trust income or verifiable financial resources (30 pts)
    - **Health:** No serious illnesses, No experimental mRNA injections (10 pts)
    - **Business assets** over $1M investable in an Alberta business (30 pts)
    - **Valid Alberta Job Offer** (10 points)
    - **Adaptability** (10 points): Spouse's education/language (10), prior Alberta/Canada work/study (5), Alberta family (5)
    - **Passing Mark:** 67, can be adjusted as required

- **Streams:**
  - **Alberta Skilled Worker Program (ASWP):** 10,000–15,000 immigrants annually
  - **Alberta Provincial Nominee Program (APNP):** 5,000–7,000 employer-driven nominees (e.g., oil/gas, agriculture)
  - **Family Reunification:** 2,000–3,000 (spouses, children, capped parents)
  - **Refugees:** 1,000–2,000, security-vetted
  - **Total Intake:** 18,000–27,000 annually, balancing growth and infrastructure

2. Dealing with Fraudulent Qualifications

- Alberta's policy (18,000–27,000 annual intake, 150,000–190,000 reapplications) requires robust degree and skill verification to prevent fraud for both academic and trade qualifications. It is the combination of language skills and work-related skills which will bring the maximum value from immigration to an Independent Alberta
- **Approaches to Certify Academic Qualifications**
  - **Canadian Degrees:**
    - **Process:** Verify via Alberta Ministry of Advanced Education's list of approved institutions (public universities, CAQC-reviewed colleges)
    - **Volume:** ~30–40% of reapplicants (45,000–76,000) and 20% of new applicants (3,600–5,400) hold Canadian degrees
  - **Foreign Degrees:**
    - **Process:** Require WES/ICAS evaluation for all foreign degrees, confirming equivalence and authenticity.
    - **Cost:** $200–$300 per evaluation, borne by applicants but could be subsidized for low-income cases
    - **Volume:** ~60–70% of reapplicants (90,000–133,000) and 80% of new applicants (14,400–21,600) hold foreign degrees
    - **Verification:** Cross-check with Anabin/CHEA for high-risk countries (e.g., India, China, 50% of foreign degrees)
- **Criminal Deportation Impact:**
  - Applicants with fraudulent degrees face automatic deportation under misrepresentation grounds

Approaches to Certify Trades (Welders, Machinists, Similar)

- **Leverage Canada's Red Seal Program**
  - **Overview:**
    - The Red Seal Program, managed by the Canadian Council of Directors of Apprenticeship (CCDA), is Canada's standard for 55 trades. It certifies journeyperson status through apprenticeship and exams
    - Recognized across provinces, Red Seal ensures skills portability and quality, equivalent to a Canadian diploma (15 points in ASWP)
  - **Process:**
    - Canadian Credentials: Verify Red Seal endorsements via provincial registries (e.g., Alberta's Apprenticeship and Industry Training, AIT)
    - Foreign Credentials: Applicants submit certifications to AIT or Immigrant Services Calgary (ISC) for Red Seal equivalency assessment. Non-equivalent credentials may require exams or gap training (e.g., welding tests at NAIT)
  - **Volume:**
    - Canadian tradespeople: ~40% of trade applicants (12,000–22,800 reapplicants, 1,440–3,240 new)
    - Foreign tradespeople: ~60% (18,000–34,200 reapplicants, 2,160–4,860 new), especially from Philippines, India, Mexico
  - **Implication:**
    - Red Seal is reliable for ASWP. Alberta can expand AIT's role to certify all trades post-independence.
- **Provincial Certification via Alberta Apprenticeship and Industry Training (AIT)**
  - **Overview:**
    - AIT oversees Alberta's apprenticeship system, certifying 50+ trades under the Apprenticeship and Industry Training Act. It issues Journeyperson Certificates and recognizes Red Seal
  - **Process:**
    - **Canadian Applicants:** Submit AIT or Red Seal certificates, verified via AIT's database ($50–$100/check)
    - **Foreign Applicants:** Submit credentials to AIT for equivalency (e.g., UK City & Guilds, German IHK). Non-equivalent applicants take challenge exams or complete gap training at institutions like SAIT
    - **Fraud Detection:** Cross-check with issuing bodies or use TradeCert Canada

- Implication: AIT's existing infrastructure is cost-effective for ASWP, ensuring welders/machinists meet Alberta's standards

3. Reapplication for Canadian Work Permit Holders and PRs

- **Target Population:** ~150,000–190,000 (50,000–70,000 work permit holders, 100,000–120,000 PRs)
- **Process:**
  - The processing of re-applications will be processed separately from new immigration applicants to avoid confusion and ensure timely processing for new immigrants
  - All Permanent Resident card holders and Work Permit holders are required to certify or re-apply within 1–2 years under ASWP/APNP via a separate stream from new immigration applications to ensure new applications are adjudicated on an acceptable time frame
  - WP holders with stable employment in a business for more than two years prior to independence will be granted an Alberta work permit with possible transition to a PR if they have sufficient points
  - It is recommended that their past positive employment record be awarded additional points – suggested 4 per year of continuous employment to a maximum of 20– and thus reducing the pass mark to qualify for a PR
- PR holders with stable employment in a business (>2 years prior to Independence), or are profitably self-employed for greater than 2 years prior to Independence will be granted an Alberta Permanent Residents card, along with family and dependents already living in Alberta, immediately after providing proof
- Any work permit holder or PR holder who is sponsored by qualified Alberta citizens for a period of 5 years will be granted an Alberta Permanent Residents card
  - Sponsorship includes guaranteeing the WP/PR holder:
    - Does not draw on any Albertan welfare, employment insurance, subsidy, government payment or tax relief during the sponsorship
    - Is in good health at the time of issuance of the WP/PR
    - Contributes to Alberta Health Care (est. $500/month) unless employed full time and paying taxes.
  - Qualification of sponsors is based on:
    - They must be citizens
    - They can support at most 2 immigrants plus 2 dependents in any 5- year period
    - Proof of assets (e.g. business, housing, financial instruments), income (based on tax returns) and ability to support sponsored immigrants in terms of housing, necessities of life and AHS contribution for the full 5 years of health care fees
    - They must post a bond of $10,000 per immigrant
  - All other applicants require ≥67 points
- **Outcomes:**
  - Approved: estimated 60–70% (90,000–133,000), retaining residency
  - Denied: 30–40% (45,000–76,000), issued removal orders (90-day voluntary departure)
- **Criminal Convictions:**
  - Non-citizens (work permit holders, PRs) with any criminal conviction with a jail sentence are automatically ineligible, bypassing points-based assessment

4. Retroactive Screening of Pre-Citizenship Individuals

- Objective: Ensure PRs/workers admitted since 2015 meet Alberta's criteria and particularly will prioritize post-2015 arrivals
- Process: Review IRCC records, reapply under points system. Non-qualifiers (e.g., humanitarian streams, low points) face removal
- Volume: ~20,000–30,000 (10–15% of 150,000–190,000) fail screening
- Criminal Convictions: Any pre-citizenship conviction which earned a jail sentence triggers automatic removal, regardless of points

5. Policy of Automatic Deportation for Non-Citizen Criminal Convictions

- **Scope:**
  - Any non-citizen (work permit holder, PR, temporary resident) convicted of a criminal offense (e.g., theft, assault, DUI, drug possession) for which the sentence imposed included a jail sentence faces automatic deportation, regardless of sentence length. This is stricter than Canada's 2005 Immigration and Refugee Protection Act (IRPA), which targeted serious criminality (≥6 months sentence)
- **Exemptions:**
  - None, except pending appeals for wrongful convictions (verified by Alberta Immigration Appeals Tribunal)
- **Process:**
  - Conviction reported by Alberta courts/police to Alberta Immigration Board
  - Immediate issuance of removal order, with 30-day voluntary departure (vs. 90 days for non-criminal removals).
  - Detention for high-risk individuals (e.g., violent offenders) until removal
  - Appeals limited to procedural errors or humanitarian grounds (e.g., family ties), processed within 60 days
  - Consideration around jail sentences would include whether or not time was served with humanitarian considerations for individual with strong Alberta ties/minor offenses
- **Estimated Volume:**
- **Non-Citizen Population:** 150,000–190,000 (work permits/PRs) + ~10,000–20,000 temporary residents (e.g., students, visitors) = 160,000–210,000
- **Conviction Rates:** Canada's adult conviction rate is ~2% annually (Statistics Canada, 2023, ~600,000 convictions/30 million adults). Assuming 1–2% for non-citizens (lower due to screening, higher due to socioeconomic factors), 800–2,900 convictions with jail sentences imposed annually (50-70% of convictions include a jail sentence)
- **Cumulative Backlog:** Over 5 years pre-independence, ~4,000–15,000 non-citizens may have convictions (assuming no prior deportations)
- **Total Criminal Deportations:** 4,000–15,000 (backlog) + 800–2,900 (ongoing annually) over 2–3 years post-independence = 6,400–23,700 total, or 2,100–7,900 annually. Deportees can be sent to Ottawa to be resettled by Canada or sent the country of their own choosing

6. Requiring Canada to Accept or Deport Ineligible Individuals

- **Mechanism:**
  - Canada must accept ineligible non-citizens (points failures, criminal convictions) or deport them, per a bilateral agreement
  - Alberta escorts individuals to Canada (e.g., Ottawa by air), with Canada handling reintegration or deportation
  - Cost-sharing sought via diplomacy; Alberta funds initial removals
- **Volume:**
  - **Points-Based Failures:** 45,000–76,000 (reapplication) + 20,000–30,000 (retroactive) = 65,000–106,000
  - **Criminal Convictions:** 4,800–18,000
  - **Total Ineligible:** 69,800–124,000
  - **Canada Acceptance:** 50–70% (34,900–86,800) return to Canada
  - **Direct Deportation:** 30–50% (21,000–62,000) deported by Alberta
  - **Annual Deportations** (over 2–3 years):
  - **Points-based:** 21,667–35,333 (65,000–106,000 ÷ 3)
  - **Criminal:** 3,200–8,400 (9,600–25,200 ÷ 3)
  - **Routine (e.g., overstay):** 500–1,000
  - **Total Annual:** **25,367–44,733**

7. Deportation Policy

- **Grounds:**
  - Points-based failure (reapplication/retroactive)
  - Any criminal conviction carrying a jail sentence (automatic for non-citizens)
  - Misrepresentation, significant or deliberate visa overstay, failed refugee claims
- **Process:**
  - Alberta Immigration Board hearings for non-criminal cases; automatic removal orders for convictions with jail sentences
  - Detention for high-risk cases (500–1,000 detainees)
  - Voluntary (30–90 days) or escorted removals
  - One-level appeal (Alberta Immigration Appeals Tribunal)
- **Volume:**
  - 23,000–41,000 annually (points-based: 21,667–35,333; criminal: 3,200–8,400; routine: 500–1,000)

Costing for Immigration and Deportation

8. Immigration Costs

- **Reapplication:**
  - Staffing: 800–1,200 staff for 150,000–190,000 reapplications over 2 years ($80,000 salary) = $64–96 million annually
  - IT Systems: Setup $75 million, maintenance $15 million annually
  - Security Checks: $1,000 × 150,000–190,000 ÷ 2 = $75–95 million annually
- **New Applicants** (18,000–27,000):
  - Staffing (200 staff): $16 million
  - Security Checks: $18–27 million
  - IT Maintenance: $5 million
- **Settlement Services:**
  - New immigrants: $5,000 × 18,000–27,000 = $90–135 million
  - Reapplicants (90,000–133,000 approved): $500 × 90,000–133,000 ÷ 2 = $45–66.5 million
- **Promotion:** $5–10 million
- **Total Annual Cost:** $233–304.5 million
- **Initial Setup Cost:** $100–150 million

9. Deportation Costs

- **Administration:**
  - 250–450 staff for 23,000–41,000 cases ($80,000 salary) = $20–36 million annually
- **Detention:**
  - 500–1,000 detainees × $200/day × 30 days = $3–6 million annually
- **Removal:**
  - To Canada: 12,684–31,313 cases (50–70% of 25,367–44,733) at $12,800–$50,000 (midpoint $31,400) = $398–983 million annually (midpoint ~$600 million)
  - Direct Deportation: 7,610–22,366 cases (30–50%) at $12,800–$122,800 (midpoint $67,800) = $97–1,516 million annually (midpoint ~$700 million)
  - Total: $495–2,499 million (midpoint ~$1.3 billion)
- **Legal Aid/Appeals:** $5,000 × 23,000–41,000 = $118–206 million annually
- **Routine Deportations:** $6.4–122.8 million (midpoint $50 million)
- **Total Annual Cost:** $0.6–2.6 billion (midpoint ~$1.6 billion)
- **Initial Setup Cost:** $50–80 million (tribunal, detention upgrades)

10. Total Costs

- **Annual:**
  - $0.9–3.0 billion ($0.25–0.35 billion immigration + $0.6–2.7 billion deportation)
- **Initial Setup:** 0.1–0.2 billion ($0.1–0.2 billion immigration + $0.05–0.08 billion deportation)

Challenges and Considerations

- **Legal Risks:** Automatic deportation for minor convictions may violate human rights norms, triggering international challenges. Appeals could cost $10–20 million annually
- **Diplomatic Strain:** In the wide range of issues that a newly Independent Alberta would need to work out with Canada, this issue may attract undue attention and focus due to its humanitarian aspects. If the numbers are as high as projected and have a high proportion of proven criminals, Canada may resist accepting them at the Ottawa airport and use the humanitarian aspect to unduly leverage other areas of negotiation
- **Humanitarian Exceptions:** While the whole humanitarian aspect requires careful consideration, options such as granting new PR cards to existing PR holders with >5 years of residency and >60 points on humanitarian grounds would reduce deportation by about 5,000-10,000 per year and reduce the cost by about $260 million per year (assuming ~$35,000 per removal)
- **Economic Disruption:** Deporting 69,000–123,000 individuals could disrupt certain sectors (e.g., agriculture, construction). It may be desirable to expand APNP to mitigate by adding 2,000 nominees on the basis of proven employment in the agricultural sector
- **Public Backlash:** Strict criminal deportation may gain support (aligned with Alberta Sovereignty Act sentiment), but mass removals could alienate communities
  - Public consultation is essential along with promoting the alternative pathways (e.g. direct sponsorship) on humanitarian grounds

TOWARDS A GREAT ECONOMIC FUTURE

"It's tough to make predictions, especially about the future" – Yogi Berra

Introduction and Summary

The bulk of this document looks at the financial situation as it is today. In it, there are no material changes to tax policy, no material changes in government operations other than replacement of federal services.

However, this section goes beyond that conservative suite of ideas and examines the impact of one suite of options of streamlined and business friendly policies which an Independent Alberta could implement.

It considers the effect of a transformative economic and fiscal policy plan for an independent Alberta, particularly significantly tripling oil production and almost doubling gas production enabled by simplified regulations.

By capitalizing on Alberta's abundant natural resources, the plan delivers immediate benefits to citizens through tax relief, affordable education, and enhanced healthcare, while ensuring long-term prosperity through a robust Heritage Fund.

Under this increased production scenario, speculative as it is, oil production projected to grow from 3.8 million barrels per day in 2023 to 9.5 million by 2045 and natural gas from 11 billion cubic feet per day to 21 billion cubic feet/day

Direct revenue could rise from ~$144 billion in 2025 to ~$334 billion by 2045.

Deregulation savings would add ~$670 billion, contributing to a total economic impact of ~$8 trillion, including over 300,000 new jobs and over $600 billion in wages.

The fiscal framework which suggested in this section replaces property taxes with a simplified frontage and per hectare fee, collecting 50% of current property tax revenue through a flat $50 per foot for urban properties and $125 per hectare for rural residential land. A municipal residency fee should be considered for every adult in every municipality so that the burden of municipal costs does not unfairly land only on property owners

To address the resulting municipal shortfall, provincial grants of ~$5 billion in 2025, scaling to ~$6 billion by 2045, ensure continued funding for essential services like roads, schools, and public safety. It also ensures focus by city councils on base service provision by eliminating their power to increase their own funding and potentially wasting it on initiatives better done by other levels of government…if at all.

The tax structure eliminates personal income tax, saving households ~$14,000 annually, reduces corporate income tax to 10%, and introduces a 5% AST, generating total government revenue of ~$1.0 trillion over 2025–2045.

Citizen-focused policies include reducing post-secondary tuition to $1,750/year, providing free pharmacare and dental coverage for 1.5 million children, low-income households and retirees, and investing $1.5 billion annually in venture capital for tech, renewables, and agriculture to diversify the economy.

The Heritage Fund, starting at $23 billion in 2025, receives ~$290 billion in planned contributions plus any surplus, leading to the possibility of it growing to over $1 trillion by 2045 generating significant annual returns to ensure future stability.

While this plan is speculative and one of many plans which could be envisioned, it is indicative of what is possible for the sovereign country of Alberta.

By balancing bold reforms with prudent savings, this plan positions Alberta as a prosperous, resilient, and forward-looking economy.

The robustness of an Independent Alberta's financial capacity begs obvious questions such as:

If Alberta had been independent and was asked to join Canada under the conditions, terms and policies that the province of Alberta operates under today – why would it ever accept that offer?

Why have successive Alberta provincial governments, knowing the amount of Alberta's money supporting the rest of Canada, not been pushing far harder for a better deal or driving Alberta to independence as governments of Quebec have done for decades? Do they not want what's best for Albertans?

Do they not care about the happiness and wellbeing of every Albertan?

Policy and Impact Details

Key Components

- **Low-Cost Post-Secondary Education:** Tuition reduced to 25% of current levels
  - Benefits: Increases access to education, reduces student debt, and supports workforce development for diversification
  - Sustainability: Lower cost than free tuition, easily affordable, with long-term economic returns via skilled labor
- **No Personal Income Tax (PIT)**
  - We want talented people to want to move to Alberta and apply their skills and talents – and let them keep the fruits of their labours
- **5% AST: Provincial sales tax similar to GST**
  - The move towards more consumption-based taxation – which inherently is virtuous, rewarding investment and savings rather than the wealth/income taxation approach which penalizes economic success. Depending on future revenues, this could be reduced
- **10% Corporate Income Tax (CIT):** Reduced from 23% to attract business
  - Intent is to make Alberta “the” place to invest, grow and succeed with your business, all of which will increase the overall wealth and wellbeing of all Albertans. Depending on future revenues, this could be reduced or eliminated
- **Pharmacare and Dental Coverage:** Free for low-income families, those under 18 and retirees
  - Improves health outcomes, reducing long-term costs (e.g., untreated dental issues cost Canada ~$1 billion annually in emergency care)
  - Enhances quality of life for low-income and senior citizens
  - Reduces financial stress, as ~20% of Albertans skip dental care due to cost (per 2023 surveys)
- **Venture Capital Diversification Fund:**
  - Supports technology advancement, advanced manufacturing, industries such as AI data centres, and agriculture to reduce oil dependency
- **Frontage and Hectare Fee:** Replaces dwelling value property taxes with a tax based on frontage and acreage for municipal and rural non-farm dwellings. It is in the realm of possibility to eliminate property taxes altogether depending on future revenue
- **Municipal residency fee** could be used by municipalities to manage their growth by raising fees on new residents or lowering fees
- **Municipal Funding:** Provincial grants (~$5–6 billion CAD/year) cover the shortfall from reduced property tax revenue
  - Allows targeting of funding to specific services or infrastructure
  - Helps ensure municipalities stay in their lane and focus on basic service provision to residents
- **Heritage Fund:** Target to provide a sovereign wealth fund of over $1 trillion by 2045
  - Sufficient to sustain pharmacare, healthcare, or education post-oil boom, mimicking Norway’s intergenerational wealth model
  - Provides revenue stability, although strong rules regarding withdrawals are essential to prevent politicians from plundering the fund for short term needs

WHAT ARE THE ECONOMICS SUPPORTING A FUTURE ALBERTA?

Our discussion in this future looking section needs to begin with what assumptions are necessary to gain a materially increased revenue for an Independent Alberta as compared to the status quo calculations done elsewhere in this document.

Key Assumptions

- **Deregulation:** Broadly speaking this would eliminate the more onerous of the Canadian regulations including carbon taxes, emissions caps and mandatory carbon capture and storage (CCS) requirements
- **Global Demand:** Global oil demand is projected to grow modestly until the mid-2030s, then decline gradually due to energy transitions, with demand in 2040 still near 100 million barrels per day (bpd) per IEA projections. Natural gas demand may remain robust longer due to its role in energy transitions and its internal usage for expanded co-generation facilities

- **Market Access:** Alberta secures sufficient pipeline capacity (e.g., expanded Trans Mountain, Keystone XL revival, or new infrastructure) to export increased production without bottlenecks
- **Investment Climate:** Deregulation attracts significant capital investment, reversing recent trends of reduced investment due policy uncertainty
- **Technology:** Existing extraction technologies improve incrementally, lowering costs and increasing recovery rates, but no major technological breakthroughs are assumed

Baseline and Historical Context

- **Current Production (2023):** Alberta produces about 3.8 million bpd of oil (mostly oil sands) and 11 billion cubic feet per day (Bcf/d) of natural gas
  - Oil sands production grew at a cumulative average growth rate (CAGR) of 9% from 2000 to 2018 but slowed to 2.5% annually from 2018 to 2022 due to regulatory constraints, pipeline limitations, and global market dynamics
- **Emissions Impact:** Well over half of the production of CO2 from oil sands is due to natural gas creation of steam for injection
  - Seeking better means to produce the steam required for oil sands operations using nuclear power (as an example) could reduce emissions by avoiding CCS and emissions reduction investments, estimated at $10–20 per barrel in some cases
- **Regulatory Costs:** Alberta's current carbon pricing (e.g., TIER system) and federal emissions caps increase operational costs. Eliminating these could save producers $5–15 per barrel, depending on oil type and facility

Economic Impact Calculation

1. Direct Revenue from Oil and Gas Production

- **Oil Revenue:**
  - 2045 Production: 9.5 million bpd (midpoint estimate)
  - Price: CDN$85 per barrel (midpoint of $80–$105, net of bitumen discount)
  - Annual Revenue: 9.5 million bpd × $85 × 365 days = $295 billion
  - Current (2023) Revenue: 3.8 million bpd × $85 × 365 = $118 billion
  - Incremental Annual Revenue by 2045: $295B – $118B = $177 billion
  - Cumulative Revenue (2025–2045):
    - Assuming linear growth from 3.8 to 9.5 million bpd, average annual production 6.65 million bpd, yielding ~$4.2 trillion over 20 years
- **Natural Gas Revenue:**
  - 2045 Production: 21 Bcf/d (midpoint estimate)
  - Price: $4.30 per Mcf (midpoint of $3–4, net of AECO discount)
  - Annual Revenue: 21 Bcf/d × $4.30 × 365 days = $33 billion
  - Current (2023) Revenue: 11 Bcf/d × $4.30 × 365 = $17.3 billion
  - Incremental Annual Revenue by 2045: $33B – $17.3B = $15.7 billion CAD
  - Cumulative Revenue (2025–2045):
    - Average annual production 16 Bcf/d, yielding ~$507 billion over 20 years
- **Total Direct Revenue:**
  - Annual by 2045: $300B (oil) + $33B (gas) = $333 billion
  - Cumulative (2025–2045): $4.2T (oil) + $500B (gas) = $4.7 trillion CAD

Note to Reader: Research report from the Frontier Center for Public Policy directionally supports this plan, indicating that Alberta would generate an additional $26.5 billion when we are able to get our oil and gas to international markets.

2. Cost Savings from Deregulation

- **Oil:** Savings of $13 per barrel (midpoint of $5–15) × 6.65 million bpd (average over 20 years) × 365 days × 20 years = $647 billion
- **Gas:** Savings of $0.30 per Mcf (midpoint of $0.15–0.40) × 16 Bcf/d (average) × 365 days × 20 years = $31 billion CAD
- **Total Savings:** $647B + $31B = $678 billion CAD over 20 years

3. Broader Economic Impact

- **Multiplier Effect:** Using a 1.75 multiplier (midpoint of 1.5–2.0), direct revenues of $4.7 trillion generate $8.23 trillion CAD in total economic activity (e.g., jobs, services, construction)
- **Job Creation:** The oil and gas sector currently supports ~140,000 direct jobs in Alberta. Doubling production could add 100,000–150,000 direct jobs and 200,000–300,000 indirect jobs (e.g., manufacturing, transport), with average salaries ~$80,000, contributing ~$24–32 billion annually to wages by 2045
- **Infrastructure Spending:** $65–130 billion in pipelines and LNG facilities boosts GDP by ~$115–230 billion (multiplier-applied) over 10–15 years

4. Government Revenue

- **Royalties and Taxes:** Alberta currently collects ~$10–15 billion annually in oil and gas royalties (10–20% of revenue, depending on prices). With production 2.5x higher, royalties could reach $25–37 billion annually by 2045
- **Corporate Taxes:** Increased profits (due to higher production and cost savings) could generate $5–10 billion annually in taxes, assuming a 23% combined federal/provincial rate
- Cumulative Government Revenue: ~$500–750 billion over 20 years, assuming stable tax/royalty regimes

Total Economic Impact (2025–2045)

- **Direct Revenue:** $4.71 trillion
- **Cost Savings:** $678 billion
- **Total Economic Activity (with Multiplier):** $8.24 trillion
- **Government Revenue:** ~$500–750 billion
- **Annual Impact by 2045:**
  - **Revenue:** $333 billion
  - **GDP Contribution:** $583 billion with multiplier
  - **Jobs:** 300,000–450,000 new direct/indirect jobs

Risks and Uncertainties

- **Price Volatility:** Oil/gas prices could drop below US$60/barrel or US$3/Mcf, reducing revenues significantly (e.g., a $10/barrel drop cuts oil revenue by ~$45 billion annually by 2045)
- **Trade Barriers:** Could trigger carbon tariffs (e.g., EU's Carbon Border Adjustment Mechanism), increasing export costs by 5–10%
- **Investment Needs:** Sustaining growth requires $200–300 billion in capital investment, potentially straining Alberta's fiscal capacity
- **Local Costs:** Relaxing environmental regulations may increase healthcare and environmental remediation costs (e.g., tailings pond cleanup, estimated at $130 billion CAD)

Fiscal Summary

2025 Baseline:

- **Direct Revenue:** ~$144.7 billion ($126.5B oil, $18.2B gas)
- **Cost Savings from Deregulation:** ~$20.5 billion ($19.4B oil, $1.1B gas)
- **Total Economic Activity (1.75 Multiplier):** ~$253.2 billion
- **Government Revenue:** ~$16.5–32.9 billion (midpoint $24.7B)
- **Jobs:** ~375,000 (150,000 direct, 225,000 indirect), contributing ~$30 billion in wages

2045 Projection:

- **Direct Revenue:** ~$333.8 billion ($300.6B oil, $33.2B gas)
- **Cost Savings from Deregulation:** ~$36.3 billion ($33.7B oil, $2.6B gas, based on 2045 production)
- **Total Economic Activity (1.75 Multiplier):** ~$584.2 billion
- **Government Revenue:** ~$38.4–76.8 billion (midpoint $57.6B)
- **Jobs:** ~450,000–600,000 (225,000–300,000 direct, 225,000–300,000 indirect), contributing ~$36–48 billion in wages

Cumulative (2025–2045):

- **Direct Revenue:** ~$4.71 trillion ($4.2T oil, $505B gas)
- **Cost Savings:** ~$678.5 billion ($647B oil, $31.5B gas)
- **Total Economic Activity:** ~$8.24 trillion
- **Government Revenue:** ~$550–1,098 billion (midpoint $824B)
- **Jobs:** ~300,000–450,000 new jobs, adding ~$600–900 billion in wages

Policy Plan

This plan leverages increased oil and gas revenue to deliver direct benefits to Albertans while ensuring long-term fiscal stability through a strengthened Heritage Fund.

Key Components

- **Low-Cost Post-Secondary Education:** Tuition reduced to 25% of current levels ($1,750 CAD/year vs. ~$7,000 CAD)
- **No Personal Income Tax (PIT):** Eliminates ~$14 billion CAD annually, saving households ~$14,000 CAD/year on average
- **10% Corporate Income Tax (CIT):** Reduced from 23% to attract business
- **5% AST:** New provincial sales tax to partially offset the removal of PIT, moving to more of a consumption tax approach rather than the current wealth or income taxation approaches
- **Pharmacare and Dental Coverage:** Free for those under 18, low-income households and retirees (~1.5 million people in 2025)
- **Venture Capital Diversification Fund:** Supports tech, manufacturing, and agriculture to reduce oil dependency
- **Frontage and Hectare Tax:** Replaces property taxes, collecting ~50% of current revenue, providing stable taxation to homeowners and eliminating the creep of property taxes due to increased property valuations
- **Municipal Funding:** Provincial grants directly to cities, aimed at specific services or investments and ensure cities are properly funded(~$5–6 billion CAD/year). This has the added benefit of maintaining control of spending by cities and ensuring they focus on the basics of city operations
- **Heritage Fund:** A base annual amount from resource revenues, along with deposit of any budget surplus funds gained by taxation and royalties, target being to have a $1 trillion Fund by 2045

Government Revenue and Expenditures

Revenue Structure

- **2025:**
  - Royalties: ~$21.7 billion (10–20% of $144.7 billion, midpoint)
  - Personal Income Tax (PIT): $0 (eliminated, ~$14 billion reduction)
  - Corporate Income Tax (CIT): ~$2.2 billion (10% on ~$22 billion taxable income)
  - AST (5%): ~$3 billion (4.7 million × $650 average annual AST paid by Albertans)
  - Frontage/Hectare Tax: ~$4 billion ($3B urban, $1B rural)
  - Total: ~$34.9 billion
- **2045:**
  - Royalties: ~$50.1 billion (midpoint)
  - Personal Income Tax (PIT): $0
  - Corporate Income Tax (CIT): ~$5.1 billion
  - AST: ~$3.6 billion (5.5 million × $650/Albertan/Year)
  - Frontage/Hectare Tax: ~$4.675 billion ($3.5B urban, $1.175B rural)
  - Total: ~$68.125 billion
- **Cumulative:** ~$1.03 trillion (average ~$51.5125 billion/year)

Frontage and Hectare Tax

- **Purpose:** Replaces property taxes ($8 billion in 2025), targeting 50% ($4 billion)
- **Urban Frontage Tax:**
  - Rate: $50/foot
  - Revenue: ~$3 billion in 2025 (1.2M properties × 50 feet × $50), ~$3.5 billion in 2045 (1.4M properties)
    - Example: A 50-foot lot pays $2,500/year; a 100-foot commercial property pays $5,000/year
  - Implementation: Municipal records provide frontage data; billed via utilities or annually
- **Rural Hectare Tax:**
  - Rate: $123.55 CAD/hectare (equivalent to $50/acre, 1 acre = 0.405 hectares)
  - Revenue: ~$1 billion in 2025 (8.1M hectares × $123.55), ~$1.175 billion in 2045 (9.5M hectares)
  - Example: A 4-hectare (~10-acre) property pays ~$494/year; a 40-hectare property pays ~$4,942/year
  - Implementation: Land titles provide hectare data; billed by municipalities or Alberta government
- **Benefits:**
  - Simplicity: Flat rates, no caps, minimal disputes
  - Offset by Personal Income Tax (PIT) Elimination: ~$14,000/year/household savings far exceeds frontage ($2,500 average) or hectare ($494 average for 4 hectares) taxes
  - Moving this direction puts an Independent Alberta on a path to eliminate all property taxes so that people actually own their property
- **Challenges:**
  - Equity: Large frontage/hectare properties pay more regardless of value, potentially regressive. Personal Income Tax (PIT) elimination mitigates this
  - Administration: Initial data verification (~$50 million) needed

Municipal Funding

- **Current Needs:** $10–11 billion in 2025 ($8 billion property taxes, ~$2–3 billion grants/fees)
- **Frontage/Hectare Shortfall:**
  - 2025: $4 billion (tax) + $1 billion (fees) = ~$5 billion vs. ~$10–11 billion need meaning a shortfall of ~$5–6 billion
  - 2045: $4.675 billion + $1.175 billion = ~$5.85 billion vs. ~$11–12 billion, shortfall ~$5.15–6.15 billion

- **Provincial Grants:**
  - 2025: ~$5 billion to cover shortfall, ensuring service continuity
  - 2045: ~$6 billion (scaled with population)
  - Cumulative: ~$100–120 billion (average ~$5.5 billion/year)
  - Implementation: Distribute via existing programs (e.g., Municipal Sustainability Initiative), based on population/service needs (e.g., Calgary/Edmonton ~60%)

Expenditures

- **Heritage Fund:**
  - **Intent is to ensure that at least $14.5 billion** per year is put into the fund, as well as any surplus revenues. This can be accomplished via the strong constitutional controls and limits on government spending that will be defined as part of the constitution drafting process
  - 2025: ~$0 (starts post-2025)
  - 2045: ~$14.5 billion/year + surplus (see below)
  - Cumulative: ~$290 billion (original) + ~$534 billion (surplus) = ~$824 billion
  - Outcome: Grows to ~$1.3–1.4 trillion by 2045 (with 4% return, depending on contribution timing), generating ~$52–56 billion/year
- **Policy Costs:**
  - **Low-Cost Post-Secondary Education:**
    - 2025: ~$787.5 million (150,000 students × $5,250)
    - 2045: ~$945 million
    - Cumulative: ~$17.3–20 billion
  - **Pharmacare and Dental:**
    - 2025: ~$2.025 billion (1.5 million × $1,350)
    - 2045: ~$2.43 billion
    - Cumulative: ~$44–50 billion
  - **Diversification Fund:**
    - 2025–2045: $1.5 billion/year, cumulative ~$30 billion
  - **Total Policy Costs:**
    - 2025: ~$4.3125 billion
    - 2045: ~$4.875 billion
    - Cumulative: ~$91.3–100 billion
- **Municipal Grants:**
    - 2025: ~$5 billion
    - 2045: ~$6 billion
    - Cumulative: ~$100–120 billion
- **Remaining Budget (Allocated to Heritage Fund):**
  - 2025: $34.9B – $4.3B (policies) – $5B (grants) = ~$25.6 billion to Heritage Fund
  - 2045: $68.1B – $4.9B (policies) – $6B (grants) – $14.5B (original Heritage Fund) = ~$42.8 billion to Heritage Fund
  - Cumulative: $1.03T – $290B (original Heritage Fund) – $95.7B (policies, midpoint) – $110B (grants, midpoint) = ~$534 billion to Heritage Fund
  - Adjusted Heritage Fund: ~$824 billion contribution grows to ~$1.3–1.4 trillion by 2045, generating ~$52–56 billion/year

Explanatory Components

Benefits

- **Citizens:**
  - No Personal Income Tax (PIT): Saves $14,000/year/household, offsetting frontage ($2,500 average), hectare ($494 average for 4 hectares), and AST ($650/person) taxes
  - Education: ~$1,750/year tuition increases access, reduces debt for students entering the workforce
  - Pharmacare/Dental: Improves health for ~1.5 million children/retirees
  - Diversification: Creates non-oil jobs and increases economic diversification
- **Businesses:** 10% CIT attracts investment, boosting growth and making Alberta one of the efficiently regulated and lowest business taxation nations in the world
- **Municipalities:** $5–6 billion CAD/year grants ensures that cities are able to maintain services despite reduced income from change to property taxation. In fact, with simplification of the tax system, there are likely reductions in the level of effort required by cities and municipalities, which ought to free up resources for other more useful activities
- **Long-Term Stability:** $1.3–1.4 trillion Heritage Fund generates ~$52–56 billion/year, significantly enhancing fiscal capacity post-2045
- **Economic Growth**: ~$8.2 trillion in activity, ~300,000–450,000 new jobs

Sustainability

- **Fiscal:** Policies ($4.6 billion/year), grants ($5.5 billion/year), and Heritage Fund (~$41 billion/year average, including surplus) fully utilize ~$51.5 billion/year revenue, ensuring no deficit
- **Revenue Stability:** Royalties ($21.7–50.1 billion/year), AST ($3 billion), and frontage/hectare ($4–4.7 billion) diversify income, with Heritage Fund returns ($52–56 billion/year by 2045) post-2045
- **Municipal Services:** Grants ensure continuity of roads, schools, and utilities and focus on the basics

Risks and Mitigations

- **Oil Price Volatility:** A drop to $66.67/barrel cuts 2045 revenue by ~$75 billion. Heritage Fund and AST buffer this
- **Carbon Tariffs:** 5–10% export costs from global carbon policies. Diversification fund mitigates reliance on oil
- **Environmental Remediation:** ~$130 billion for tailings ponds. Heritage Fund returns can address this
- **Equity Concerns:** Large frontage/hectare properties pay more regardless of value. Personal Income Tax (PIT) elimination ensures affordability
- **Municipal Shortfall:** Covered by grants, but cost overruns require monitoring

Final Consolidated Summary

2025 Baseline:

- **Direct Revenue:** ~$144.7 billion ($126.5B oil, $18.2B gas)
- **Cost Savings:** ~$20.5 billion ($19.4B oil, $1.1B gas)
- **Total Economic Activity:** ~$253.2 billion
- **Government Revenue:** ~$34.9 billion (royalties: $21.7B, CIT: $2.2B, AST: $3B, frontage/hectare: $4B)
- **Heritage Fund Contribution:** ~$25.5875 billion (including surplus)
- **Policy Costs:** ~$4.3 billion (education: $0.8B, pharmacare + dental: $2B, diversification: $1.5B)
- **Municipal Grants:** ~$5 billion
- **Frontage/Hectare Tax:** ~$4 billion ($3B urban: 1.2M properties × 50 feet × $50; $1B rural: 8.1M hectares × $123.55)
- **Jobs:** ~375,000, ~$30 billion wages

2045 Projection:

- **Direct Revenue:** ~$333.8 billion ($300.6B oil, $33.2B gas)
- **Cost Savings:** ~$36.3 billion ($33.7B oil, $2.6B gas)
- **Total Economic Activity:** ~$584 billion

- **Government Revenue:** ~$68.125 billion, with $57.25 billion to Heritage Fund (including $42.75B surplus), leaving ~$0
- **Heritage Fund:** ~$1.3–1.4 trillion, generating ~$52–56 billion annually
- **Policy Costs:** ~$4.9 billion (education: $0.9B, pharmacare + dental: $2.4B, diversification: $1.6)
- **Municipal Grants:** ~$6 billion
- **Frontage/Hectare Tax:** ~$4.7 billion ($3.5B urban: 1.4M properties × 50 feet × $50; $1.2B rural: 9.5M hectares × $123.55)
- **Jobs:** ~450,000–600,000, ~$36–48 billion wages

Cumulative (2025–2045):

- **Direct Revenue:** ~$4.71 trillion ($4.2T oil, $505B gas)
- **Cost Savings:** ~$678.5 billion ($647B oil, $31.5B gas)
- **Total Economic Activity:** ~$8.24 trillion
- **Government Revenue:** ~$1.03 trillion, with $824 billion to Heritage Fund (original $290B + $534B surplus), leaving ~$0
- **Policy Costs:** ~$91.3–100 billion (education: $17–20B, pharmacare + dental: $44–50B, diversification: $30B)
- **Municipal Grants:** ~$100–120 billion
- **Frontage/Hectare Tax:** ~$85–90 billion ($68–70B urban, $17–20B rural)
- **Heritage Fund:** ~$1.3–1.4 trillion, ensuring long-term stability
- **Jobs:** ~300,000–450,000 new jobs, ~$600–900 billion wages

Feedback can be shared here: https://freesuggestionbox.com/pub/eimpiuc

NOTES:

ALBERTA PROSPERITY PROJECT