

Growing the North Conference
February 22, 2012
TEC Centre, Evergreen Park
Grande Prairie, Alberta
Honourable Jeff Johnson
Minister of Infrastructure
Check against delivery

Introduction

Thank you for that introduction, Everett. And congratulations on the P.C. nomination.

It's a real pleasure to be here today, especially since it means I don't have to be in Question Period in the Legislature this afternoon.

Before I start, I want to thank all the various organizations who have come together to plan this conference:

The County of Grande Prairie,

The Grande Prairie & District Chamber of Commerce,

The City of Grande Prairie,

Farm Credit Canada,

Community Futures Grande Prairie,

and Business Development Bank of Canada.

I also want to thank Walter Paszkowski for his leadership role with this conference.

Walter has been a strong advocate for Northern Alberta for many years, both as an MLA and Cabinet Minister, and through his many different organizations he has served with.

There are few people I know as passionate for Grande Prairie and the north.

I also want to extend a special thanks to U.S. Consul General, Laura Lochman, for being with us today, and for her leadership in building a strong relationship between Alberta and our largest trading partner ... the United States.

I have to say, it's impressive to see the long list of organizations involved in putting this conference together.

It speaks volumes about your strong commitment to this region and to its future economic growth.

You know, economic growth is a tricky thing to measure.

Economists use all kinds of facts, figures, and indicators, and seldom seem to agree.

There's an old joke about three economists who went hunting together.

They had a deer in their sights, and the first economist took a shot.

He missed by about 5 feet to the right.

The second economist took a shot and missed 5 feet to the right.

The third economist shouted out "Hey, we hit it!"

But regardless how you define or measure it, you'd be hard pressed to find an economist who wouldn't agree that the future of this region is incredibly bright.

And a large part of that is because of the spirit of cooperation and willingness to work together that I see in this room today.

One thing I've learned over the years, as a businessman, an MLA, and as a Minister is that things can only be achieved through strong partnerships.

I also look around the room and see incredible optimism for the future.

There's an old saying: **“There are three kinds of people in the world: those who let the future happen, those who make the future happen, and those who wonder what happened.”**

Clearly, you are the kind of people who make the future happen.

And the future of Grande Prairie and northern Alberta has never been brighter.

Part of the reason for that is the leadership in this room, and also the leadership of our new Premier, Alison Redford.

Overview of what's to come

Premier Redford has been in office for just over four months now.

Let me tell you a little bit about her.

She has quite an impressive résumé and global experience.

She's been actively involved in both provincial, national, and international politics since the 1980s, including:

working in the Prime Minister's office;

serving as a technical advisor on constitutional and legal reform issues in Africa,

and a United Nations appointment to help administer Afghanistan's first parliamentary elections.

She is clear, decisive, and forward thinking ... but compassionate and focused on people.

Premier Redford's approach is best summed up in a line from the recent Throne Speech:

“Today's short-sighted decisions are tomorrow's long-term problems.”

This is Premier Redford's focus at all times ... making decisions today that will position Alberta to realize its full potential.

This is the same focus previous leaders in Alberta had.

Over forty years ago, our province set out on a new path under the leadership of a bold new government that saw the need for sweeping change to bring in a new era of prosperity and progress for Alberta.

Premier Loughheed and his government made decisions with their sights set on positioning Alberta for greatness.

Our challenge is to make decision today with that same perspective.

Look what we are reaping today from the decisions made 40 years ago.

Grande Prairie Regional College is a great example.

It started in 1966 as a small junior college.

But the people of Grande Prairie had big dreams.

And so did our government of the day.

They built a fabulous facility for the college in 1974, designed by world-renowned architect, Douglas Cardinal.

They didn't just build what was needed at the time.

They didn't just think about what the College would need in the next three years or five years.

They built for the future...with their eyes focused on 30, 40, 50 years ahead.

Today the College is one of our province's finest post-secondary institutions, and has been a tremendous benefit to Grand Prairie and the entire region.

This is just one example.

Everywhere we look there are countless examples of how we're benefitting today from the long-term vision of previous generations.

[oil sands, Heritage Trust Fund, Ring Roads, Forestry, Syncrude, Encana]

We need to do the same for the next generation.

We need to consider the decisions we are making today, and the impact 30 years down the road.

Northern Alberta is no stranger to challenges and opportunities, starting with the First Nations, fur traders,

settlers, and industry. This region's culture and heritage is all about overcoming challenges and making the most of opportunities.

Today, there are fresh challenges and new opportunities on the horizon for this region and the entire province.

Our government is ready to take them on ... and it is clear that everyone in this room is too.

Budget 2012

Our government's long-term vision was outlined very clearly in the recent throne speech and budget.

It's a vision that includes:

Continued investment in priority areas like health care, education, and caring for vulnerable people.

A solid fiscal footing: a responsible and orderly plan for eliminating the deficit – down from a projected \$3.5 billion to \$1.3 billion this year, \$886 million in 2012-13 and then surpluses after that.

Now, no one wants to run a deficit, but let's keep it in perspective:

The federal government has just announced that its balanced budget target has been pushed out a couple of years ... and another \$100 billion will be added to the federal debt before the budget is balanced.

Ontario is not projecting to balance its budget until 2017-18, and will add another \$50 billion to its debt until then.

Combine the debt of Ottawa, Ontario and Quebec and the total exceeds \$1 trillion.

A big difference is that here in Alberta, we are covering our deficits with cash in bank –not by adding any debt. And we are projecting a surplus budget of \$5.2 billion in 2014-15.

And there are no new taxes or tax increases in the budget ...

Albertans continue to have the lowest overall personal, corporate and small business tax burden in the country with the lowest fuel tax, no payroll tax and of course no sales tax.

If Alberta were to adopt the tax regimes of our neighbouring provinces of British Columbia or Saskatchewan, collectively we would be paying almost \$11 billion more annually in taxes ... and \$20 billion more in Quebec.

A focus on outcomes: we need to make sure that our programs are delivering those outcomes, in the most effective and efficient way possible.

The starting point for any budget discussion in government has always been on what government was currently doing.

The only questions asked are about how much more money is needed to keep doing the same job.

This ignores the responsibility we have, as government, to use Albertans' tax dollars as carefully and responsibly as they do.

And that's why our Premier has announced that we will be introducing results-based budgeting going forward.

Budget 2012 also includes continued investment in infrastructure: nearly 40% more per capita than the provincial average.

This means we will invest \$5.7 billion this year (\$16.5 billion over the next three years) into priority public projects like ...

- the new Grande Prairie Hospital (\$520 million)
- upgrades to Queen Elizabeth Hospital (\$9 million)
- a brand new High School (\$41.6 million)
- the twinning of Highway 43 near the Sturgeon Lake Cree Nation reserve (\$26 million)
- and upgrades to the Grande Prairie Wastewater Treatment Plant (\$45 million).

These projects are so important for the people of Grande Prairie and the entire region, and our government is firmly committed to them.

(pause)

Investment in infrastructure

There are some voices out there who argue our government should not be investing so much in infrastructure.

Some say we should be spending much less ... billions of dollars less.

But it's interesting that they don't say which projects should be canceled or delayed.

We are confident in the benefits of our capital investments, both today and well into the future, and we believe in investing in the future of Alberta.

In 2008, when the global recession hit, we didn't blink. And we aren't blinking now.

Yes, we are running deficits – but keep in mind, it's not on the operations side. It was so we could continue investing in capital.

We could literally balance the budget tomorrow if we cut capital spending. **[\$6.5 billion, \$1.3 billion deficit, \$4.5 billion grants].**

We did not create debt, by strategically using our savings account – the Sustainability Fund.

It was deliberate and strategic.

[It's paid off. Took money from surplus years]

[Benefits of capital investment: 1) value for money 2) kept people working 3) Kept skilled labour here 4) Strong economic foundation]

It's all part of what I talked about earlier ... making wise decisions today, with our lens focused on the decades ahead.

This commitment to capital investments will help ensure this region and the entire province has the strongest base possible from which to grow.

Alberta's position

And our province is growing.

Just look at some of the stats:

In the past 20 years, our province has led all provinces in average annual economic growth.

During the global recession, between 2008 and 2009, Alberta lost 28,000 jobs.

By the middle of last year, all of those jobs had been recovered plus more.

In fact, in June last year, Alberta created more jobs than were created in the entire United States that month!

Alberta posted the highest job growth in the country in 2011, creating 80,000 new jobs, and accounting for about half of all new jobs created in Canada.

And while employers in other jurisdictions are contemplating layoffs and downsizing, businesses in Alberta are beginning to worry about the availability of skilled workers and potential labour shortages.

Today, Alberta has the highest GDP per capita not just in Canada, but all of North America.

Alberta will continue to outpace the rest of the country in economic and employment growth for the next two years.

three per cent expected this year

and 3.1 per cent in 2013

And in 2010, per capita investment in Alberta was nearly twice the national average (almost \$19,000, compared to \$9,900).

A lot of that investment is going into the oil sands, but it's also going into many other industries like forestry, medicine, research and development and agriculture.

(My colleague, Minister of Agriculture – Evan Burger, will talk tomorrow morning in more detail about Alberta's agricultural sector and agrifood businesses.)

This amount of investment is unprecedented, and says a lot about the strength of Alberta's economy and investors' confidence in our province's future.

And as everyone in this room knows, a significant amount of this economic strength is flowing from the north and the incredible development happening in the oil sands regions.

In the past 12 years, more than **\$90 billion** has been invested in the oil sands.

December figures indicate that Alberta has 920 major projects (over \$5 million) on the go or recently completed...over \$208 billion worth!

Oil sands production is currently at about **1.5 million** barrels a day and is expected to more than double to **3.2 million** barrels per day in the next eight years, and predictions are that it will reach 6 million barrels per day by 2045.

For every dollar invested in the oil sands, eight dollars in economic activity is created ... throughout Alberta, and across Canada.

Over the next 25 years, Alberta's oil sands are predicted to require more than 450,000 jobs ... not just in Alberta but across Canada.

Commitment to Northern Alberta

That's why our government is strongly committed to the development of Northern Alberta.

It's no coincidence that Premier Redford started her leadership campaign in the north.

She initiated discussions with the federal government and other premiers on the need for a Canadian Energy Strategy, which will be of tremendous benefit to Northern Alberta.

Her first mission as Premier was to promote the north and the oil sands in Eastern Canada, New York, and Washington D.C., and she's returning to Washington D.C. next week.

She appointed northern MLAs into key economic portfolios...

Doug Horner as President of Treasury Board and Deputy Premier

Ray Danyluk as Transportation Minister

George Vanderburg as Minister of Seniors

Frank Oberle as Sustainable Resource Development Minister

myself as Minister of Infrastructure and responsible for the Oil Sands Secretariat

And Wayne Drysdale as Deputy Whip

We recognize the increasing importance of this region, and what it means not only for our province but for the entire country.

The advantages are all well known to everyone in this room.

And so are the challenges of the region.

There are infrastructure and transportation challenges ... including the challenges of delivering services to small and remote communities.

You all know about these issues firsthand, and there are no simple solutions.

But you also know the incredible and boundless opportunities in Northern Alberta – only limited by our own imagination and ingenuity.

We all need to work together not only to address the challenges, but to meet the coming opportunities head on.

A lot of good cooperation is already happening under the Northern Alberta Development Council.

Our government is also leading the creation of Comprehensive Regional Infrastructure Sustainability Plans (CRISPs) to establish a framework for forward planning of infrastructure development in Alberta's three oil sands areas.

The Athabasca Oil Sands Area plan is complete, the Cold Lake Oil Sands Area plan is in the final stages of development, and the plan for Peace River is expected to be completed next year.

But we need to go further.

We need to address labour market issues before existing shortages in the skilled trades and professions like truck driving become an even bigger obstacle to growth.

We need to plan for orderly and timely development over the long term ...not just in the oil sands, but across all the North's resource sectors and industries like forestry and agriculture.

And we need to look at ways of broadening northern Alberta's economic base.

Northern Alberta does an amazing job of producing resources – energy resources and agricultural and forest products – but we also need to build the value chain.

Great work is already being done in this area in the forestry industry:

The province and industry are jointly creating a Forestry Roadmap ... designed to ensure the long-term viability of forestry in our province.

The roadmap is all about more value-added forestry products and diversification of the industry, including bio-products and bio-fuels.

We need to do more of this: identifying and take advantage of new opportunities for manufacturing, and other value-added and knowledge-based industries.

Most importantly, we must plan in a way that leads development in the North, instead of trying to catch up to it.

That's the approach Premier Redford and our entire government is aiming for – an approach where we get out in front of issues, anticipate them and plan for results wherever possible, rather than reacting after the fact.

That's why the Premier has initiated a comprehensive Northern Alberta Development Strategy to help the region continue to grow and develop in a sustainable manner, with an outstanding quality of life.

It will involve examining ideas like finding ways to better engage First Nations, Métis and other Aboriginal peoples in the economy, address labour challenges, and examine the need for a Northern Transportation Corridor to make it easier to trade with Asian countries.

China is Alberta's second-largest export market and is poised to become the world's leading economy within a few decades.

There are four billion people in Asia. And they need our energy, our food and our technology.

That's why our government is carefully watching and monitoring the process involved with the Northern Gateway project, and the Keystone pipeline to the Gulf Coast.

We've all seen the international media attention on both projects in recent months.

It is a long process and sometimes frustrating.

I don't know what the end results of the regulatory process will be, but as a fellow Northern Albertan, I do know one thing:

The people of this region have incredible skills, passion, and energy ... and we will achieve great things for Northern Alberta.

We will make the most of the opportunities that lie ahead.

And we will leave a lasting legacy for our children and grandchildren that will resonate for decades to come.

Conclusion

Ladies and gentlemen, I want to close with one more quote from our Premier's recent Speech from the Throne:

“The North is the source of much of Alberta’s prosperity, so success there is critical for a successful province overall.”

Our Premier believe that and has set the tone.

I firmly believe that too.

And I'm sure everyone in this room does as well.

We have benefited so much from the vision and passion of previous leaders.

Our challenge today is to build on the foundation they left for us.

I want to challenge you to think big, to think long-term, and to think creatively.

Let's make decisions today with vision and wisdom ... so that our children and grand-children will look back at us and thank us for the decisions we made.

To me, that will be the ultimate measure of success.

Thank you for your hard work and willingness to be part of this important conference.

It is very much appreciated by our government and by all Albertans.

Thank you again, and enjoy the rest of the conference.

