



SAY YES TO A FAIR DEAL

Fact Sheet on Alberta's Referendum

Alberta's Big Contribution to Canada Transfer Programs



Since the 2000s, Albertans have sent more than \$324 billion more to Ottawa than we have received back in transfers or services.



According to the Fair Deal Panel report, some experts estimate Albertans have contributed more than \$661 billion to Canada than we have received back in transfers or services since 1961.



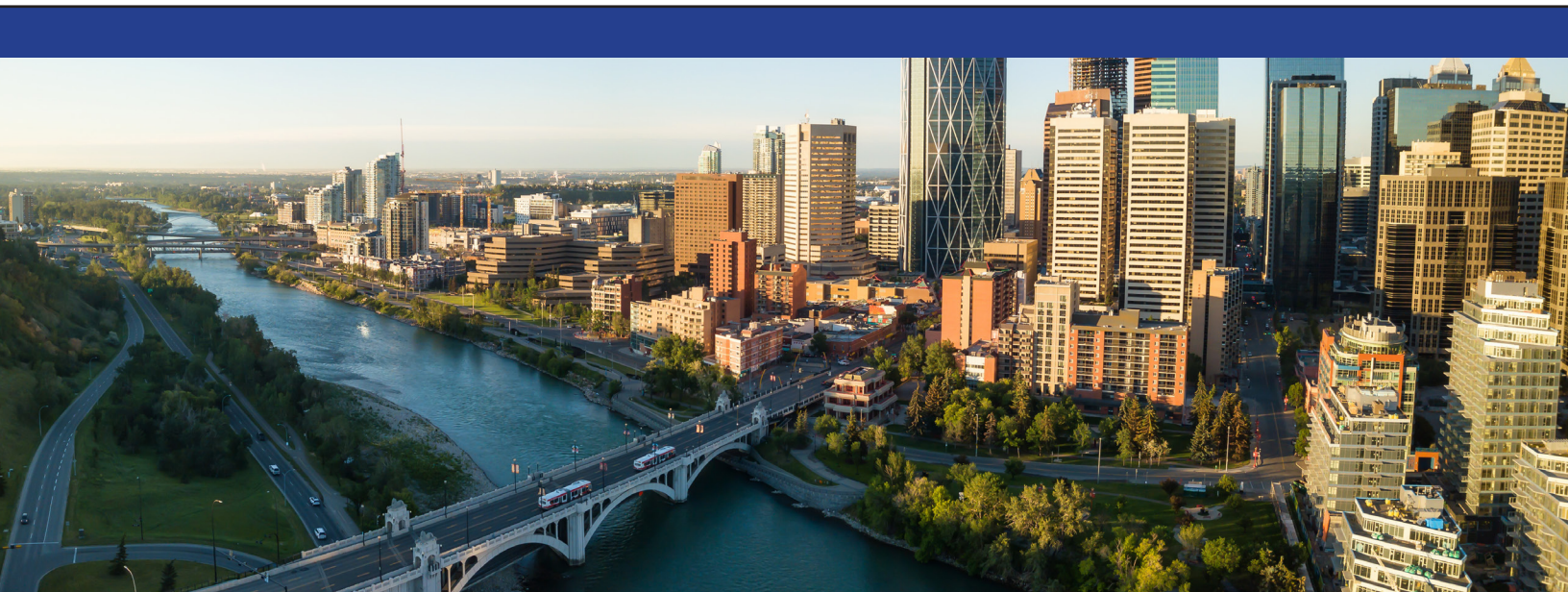
In recent years, the average Alberta family has sent about \$6,000 annually to other provincial governments to fund health and social services through federal transfer programs including equalization.



What Is Equalization?

Created in 1957, the equalization program was designed to ensure all provinces could provide comparable levels of services and taxation. Transfers from the program come with no strings attached to provinces.

The equalization formula (how much each province receives) is determined by a formula determined by the federal government that measures a province's 'fiscal capacity' – their ability to raise taxes. The amounts each province receives is based on a formula determined by the federal government. The formula looks at provinces' ability to raise revenues (their fiscal capacity).



What Will a Referendum Do?

Albertans will vote on the question: “Should Section 36(2) of the Constitution Act, 1982 — Parliament and the Government of Canada’s commitment to the principle of making equalization payments — be removed from the Constitution?”

While the referendum does not guarantee success in removing the equalization formula, a strong YES turnout creates a moral and legal obligation for the federal government and other provinces to enter into negotiations for constitutional changes.

A YES vote means a big step forward and progress in Alberta’s fight for a Fair Deal.



Fiscal Stabilization Program

Under the current equalization program, the Fiscal Stabilization Program gives the federal government the ability to provide financial assistance to any province faced with a year-over-year decline in non-resource revenues greater than five per cent. However, the program puts a cap on the number of funds received by a province. In 2020, that limit was \$170 per person.

Alberta's government estimates Alberta has lost nearly \$6 billion due to this cap and other restrictions on the formula.

