BUSINESS COUNCIL OF ALBERTA

September 8, 2026

The Honourable François-Philippe Champagne, P.C., M.P.
Minister of Finance and National Revenue
Department of Finance
90 Elgin Street
Ottawa, ON K1A 0G5

Dear Minister Champagne,

The Business Council of Alberta (BCA) is pleased to provide ideas and recommendations to the Government of Canada in advance of its 2026 budget.

BCA is Alberta's leading business organization, representing the chief executives and entrepreneurs of companies across the province's major industries. Our members represent the majority of Alberta's private sector investment, job creation, exports, and research and development. We are dedicated to building a better and more prosperous Alberta within a strong Canada.

Canada's economic landscape has been fundamentally changed by the breakdown in trade relations with the United States. As we prepare this submission, the two countries are on the brink of an escalating cycle of tariffs and counter-tariffs that threaten economic activity on both sides of the border.

Given the imbalance in size, economic power, and market dependence, this trade war will have a greater impact on Canada than on our southern neighbour. It has exposed the downside of our reliance on a single export market and underscored the urgency with which Canada must act to improve economic competitiveness, attract investment, and diversify our export markets.

To its credit, this government has recognized the challenge and is taking important steps to address those issues. These include setting a goal to make Canada an energy superpower, and the expected introduction of new legislation to reform the federal system of major project reviews, amend the federal labour code, and modernize Canada's trade-related transportation network. BCA broadly supports these efforts.

But ambition will not be enough. More needs to be done to create the right conditions for business investment in Canada.

Budget 2026 provides the opportunity to lean into this moment and make the right investments to enable Canada to not only weather the current storm but to create greater resilience and opportunity going forward. BCA believes this should focus on three areas: reforming major project approvals and tax policy; improving regulatory competitiveness; and enhancing overseas trade capacity and the effectiveness of Canada's trade transportation network. Together, these priorities would help Canada create a more attractive investment environment, strengthen the country's economic resilience, and ensure we are positioned to compete and win in an increasingly uncertain global economy.

Reform Major Project Approvals and Tax Policy

Canada already has the natural resources, entrepreneurs, talent, and strong and stable institutions necessary to succeed. But these advantages will not be enough unless the federal government addresses the major project and tax barriers that currently limit private sector investment.

Major projects in energy, critical minerals, manufacturing, and infrastructure can create thousands of jobs, strengthen supply chains, support Indigenous economic participation, and generate the investment needed to improve Canada's productivity and prosperity. But these benefits are only realized when projects make it across the finish line — once they are approved, built, and operational. And investors will only commit when they have confidence that projects will move forward through a predictable, transparent, and timely approval process.

The federal government has made important progress toward improving Canada's system for reviewing and permitting major projects. For example, we are pleased to see the proposed one-year review timelines beginning after proponents submit the required impact assessment studies and documentation. This is a vital step for making Canada a more attractive place to invest by providing clear and predictable timelines.

At the same time, improved timelines are only one part of an efficient major project review system. BCA's recent *From Barriers to Breakthroughs* reports identified that Canada's project approval system requires clearer timelines, as well as reduced duplication, stronger accountability, and greater certainty for proponents, communities, and Indigenous partners.

While we expect legislation to be implemented shortly, we encourage the government to build on its recent momentum and avoid backtracking or diluting the reforms currently under consideration.

That said, efficient major project approvals alone will not be enough. Canada must also create the right tax environment to facilitate business investment. As jurisdictions around the world compete for capital, Canada needs a tax system that rewards investment, encourages growth, supports productivity, and strengthens the country's competitiveness.

Budget 2025 included several positive changes to tax policy that BCA is broadly supportive of, such as the Productivity Super-Deduction. However, these reforms can go further to create the right conditions for investment in the long term.

Recommendations:

- Quickly enact and implement the proposed major project and labour measures proposed in BCA's two submissions — Getting Major Projects Built in Canada, and Strengthening One Canadian Economy through Trade and Transportation — that address many of the needed reforms. This will be particularly important for major projects, resource projects like critical minerals and infrastructure such as the proposed West Coast pipeline.
- Introduce binding legal mechanisms under the Impact Assessment Act (IAA) that limit the entire project review process to a maximum of two years.
- Clarify and streamline Indigenous participation and engagement in project reviews.
- Working with the provinces and territories, build on the skilled trades reforms introduced in Budget 2025 — including measures to improve labour mobility and expand apprenticeship opportunities — by continuing to invest in the development and recruitment of skilled trades workers to Canada in order to build and complete the major projects and trade infrastructure that will be needed in the coming decade.
- Build on the Productivity Super-Deduction introduced in Budget 2025 by expanding 100% first-year write offs into a broad, permanent accelerated depreciation for capital expenditures.
- Implement the election platform commitment to conduct an expert review of the corporate tax system based on the principles of fairness, transparency, simplicity, sustainability, and competitiveness. This review should focus on personal income tax, corporate income tax, investment vehicles such as capital cost allowance and flow-through shares, and tax measures that support business growth and scaling.

More detail and recommendations can be found in our *From Barriers to Breakthroughs* reports *Part I: The Impact Assessment Act* and *Part II: The Canadian Energy Regulator Act*.

Improve Regulatory Competitiveness

Canada's regulatory system must become a competitive advantage rather than a barrier to investment. Without meaningful action, regulatory burdens will continue to reduce productivity, deter investment, and limit economic growth. While sensible regulations play an important role in protecting Canadians, the cumulative impact of overlapping and unnecessarily burdensome requirements makes it more difficult for businesses to innovate, expand, and compete.

This challenge has become increasingly pronounced. Canada's regulatory system has grown more complex over time, creating uncertainty and costs that affect investment decisions across the economy. In 2021, the federal regulatory system contained over 130,000 different requirements — up 37% since 2006 — despite multiple red tape reduction efforts. Meanwhile, business leaders continue to identify regulatory burden as one of their largest barriers to growth.

The ongoing Red Tape Review (RTR) exercise is a step in the right direction. To date, however, it has focused on minor administrative improvements to existing regulations (such as making forms easier to fill out) rather than identifying specific regulations to repeal, consolidate, or substantively amend. It is the latter that is urgently needed to meaningfully reduce compliance costs for businesses.

Further, without clear targets, reporting requirements, and accountability mechanisms focused on reducing the cumulative regulatory burden — and not simply improving internal processes — the impact of the RTR is likely to be limited. The review should use new analytical tools such as AI to identify overlapping and high-cost regulatory requirements and prioritize reforms where they'll have the greatest impact.

But reducing existing red tape is only half the battle. Canada also needs to fix the regulatory system that allows unnecessary burdens to accumulate in the first place. That means strengthening how new regulations are assessed, challenged, and reviewed, including more rigorous and transparent cost-benefit analysis, stronger independent oversight of regulatory proposals, and regular reviews of existing regulations to determine whether they remain necessary and effective. Departments should face greater accountability for demonstrating that new requirements are justified and designed to minimize compliance costs. Without these systemic reforms, Canada risks periodically removing red tape only to have new layers of regulatory burden take its place.

Canada needs a regulatory system that is efficient, predictable, and focused on achieving outcomes rather than simply adding requirements. Doing so would improve productivity and allow businesses of all sizes to invest, grow, and create jobs while protecting Canadians.

Recommendations:

- Establish clear, outcome-focused accountability for regulatory reform, tracking and publicly reporting the outcome metrics, capturing regulatory volume, complexity, and impacts on business costs, investment, and productivity.
- Set bold, measurable targets to drive sustained reductions in the regulatory burden while utilizing artificial intelligence to identify areas of regulatory inefficiency.
- Mandate robust analysis of regulatory and non-regulatory alternatives for high-impact proposals, with initial alternatives analysis completed early in the policy development process.
- Ensure objectivity of high-impact regulatory proposals by requiring that regulatory proposals with expected costs above $5 million be co-developed with an independent team within the Treasury Board Secretariat rather than exclusively by the sponsoring department.
- Establish an independent expert regulatory oversight body to evaluate the quality of analysis of high-impact proposals, providing public assessments in the process.
- Mandate post-implementation reviews of all major regulations using standardized evaluation methodology and metrics, while integrating the results into future policy design.

More information on these ideas and recommendations can be found in our *From Barriers to Breakthroughs* reports *Building a Regulatory System that Supports Investment* and *Addressing Today's Regulatory Barriers to Investment*. Together, these reports provide an outline for how Canada's regulatory system — writ large and in specific sectors — can become an advantage rather than an impediment.

Strengthen Trade Resilience

Trade and market access are foundational to Canada's economic success, and the trade war with the U.S. has reinforced the importance of expanding our presence in other markets. However, Canada's ability to expand overseas trade will be limited unless the country invests more in improving the capacity, efficiency and reliability of its trade-related transportation network.

We were pleased to see Budget 2025's renewed focus on trade and the infrastructure required to access new global markets. Further, we appreciate the opportunity to provide written feedback on Transport Canada's consultation document, *Strengthening One Canadian Economy through Trade and Transportation*, for which we provided several recommendations aimed at making Canada's trade infrastructure network modern, reliable, and capable of competitively reaching more export markets.

More recently, BCA's joint submission with the Saskatchewan Chamber of Commerce on the Next Agricultural Policy Framework outlined a strategic vision for strengthening Canada's competitiveness on a global level, and we are encouraged that the Halifax Statement is in line with this strategic focus.

Together, these suggest that the federal government has the right strategic direction in mind for Canada's trade and transportation network.

But more must be done to address the barriers preventing Canada from reaching its full potential as an exporting nation. In particular, a dependable transportation system is essential to Canada's competitiveness, including at ports, railways, and airports. However, Canada's trade infrastructure requires significant investment, especially at our ports, which perform poorly by international standards. In fact, no Canadian port ranks even close to the top 100 around the world for performance, with Vancouver ranked 356th of 405 ports assessed, and Montreal only slightly higher, at 348th.

Further, increasing labour disruptions in federally regulated transportation industries are creating significant economic costs through supply chain disruptions while damaging Canada's reputation as a reliable trading partner. Businesses need to be confident in a reliable transportation network that gets their goods to market quickly, reliably, and inexpensively.

The federal government must take action to ensure Canada's transportation networks can support long-term economic growth, facilitate export diversification, and respond more effectively to geopolitical shocks.

Recommendations:

- Develop an overarching, long-term strategy, supported by a dedicated capital plan or funding commitment, to expand Canada's export infrastructure and ensure investments are coordinated and strategic. This strategy should be guided by clear, objective economic criteria and insulated from short-term electoral considerations.

It should prioritize nationally significant projects that improve access to international markets, including through designated National Trade Corridors.

- Increase or remove borrowing limits for Canada Port Authorities to improve their ability to finance large-scale trade infrastructure projects. Federal financing tools should be aligned to accelerate nationally significant port and trade corridor investments, including through the Canada Strong Fund for commercially viable, nation-building projects.
- Direct federal funding toward port modernization, focusing on increased capacity and automation. Use the National Trade Corridors Fund to address gaps private investment cannot fill and make the fund permanent beyond its 2028 sunset.
- Reduce reliance on late-stage government intervention in labour disputes, while strengthening early dispute resolution mechanisms such as implementing a Special Mediator for early intervention in federally regulated labour disputes (rail, aviation, and ports) and geographic certification and unified collective bargaining framework for West Coast longshore workers.
- Amend Section 94.1 of the Canada Labour Code to permit the use of replacement workers in export-critical transportation infrastructure — including rail and port operations — where a work stoppage poses a significant risk to nationally significant supply chains.

Conclusion

Canada has a significant opportunity to strengthen its economy and emerge from today's uncertainty more competitive and resilient. But achieving that ambition requires action. The next phase of Canada's economic strategy must focus on creating the conditions needed to attract investment.

The federal government cannot create prosperity, but it can provide the conditions that allow Canadians, entrepreneurs, and businesses to build it. By creating these conditions to get major projects built, improving regulatory competitiveness, and strengthening trade resilience, Budget 2026 can help unlock the private sector investment needed to drive productivity, create jobs, and improve prosperity for Canadians.

Thank you for considering these recommendations as you prepare Budget 2026. We look forward to continuing to work with the Government of Canada to build a stronger, more competitive, and more prosperous Canada, and would welcome the opportunity to discuss these priorities further.

Sincerely,

Mike Holden
Vice President, Policy & Chief Economist

cc: Ryan Turnbull, M.P., Parliamentary Secretary to the Minister of Finance
Nick Leswick, Deputy Minister, Department of Finance
Kevin Collins, Chief of Staff, Department of Finance
Karina Gould, M.P., Chair, Standing Committee on Finance
Jasraj Hallan, M.P., Vice-Chair, Standing Committee on Finance
Jean-Denis Garon, M.P., Vice-Chair, Standing Committee on Finance