

Capital Plan

Alberta's population is growing annually at a rate equivalent to adding a small city. The 2004-07 Capital Plan supports \$6.5 billion for infrastructure, about \$900 million more than the 2003-06 Capital Plan, a level of support for infrastructure projects unmatched in Canada.



The 2004-07 Capital Plan will:

- keep Alberta on course as a leader in learning by supporting \$1.1 billion worth of schools and post-secondary facilities,
- support Alberta as a competitor in the global marketplace by providing \$2.7 billion to the provincial highway network and municipal transportation grants,
- support \$1.1 billion for health facilities and equipment, and
- support \$1.6 billion for other capital, including community facilities, centennial projects, water and wastewater management, housing, parks and information technology.

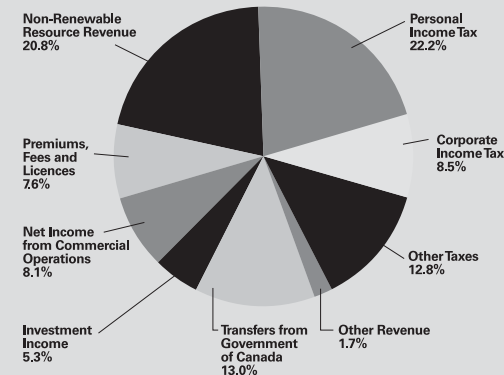
Building on the Alberta Advantage

- This is Alberta's eleventh consecutive balanced budget.
- Accumulated debt will be reduced by another \$1 billion to \$2.7 billion by the end of 2005-06.
- At least \$2.5 billion will be maintained in the Sustainability Fund to protect spending plans against revenue declines and other unforeseen events.
- Alberta is expected to be a leader in economic growth in 2004 at 3.6 per cent.
- 42,700 new jobs are expected in 2004.
- Alberta has the highest real Gross Domestic Product per capita among the provinces.
- Over the last five years, Alberta's average business growth has been the fastest of any province in Canada.
- Alberta has by far the lowest combined provincial and municipal tax load among the provinces, at 56 per cent of the national average.
- New initiatives are being undertaken to promote innovation and economic opportunities. Continued support will be provided to the agriculture sector.

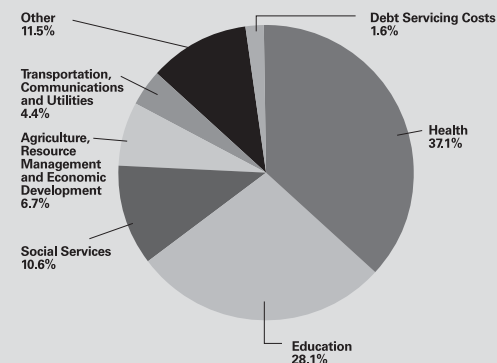
BUDGET 2004 ON ROUTE ON COURSE

Revenue, Expense and Capital Plan

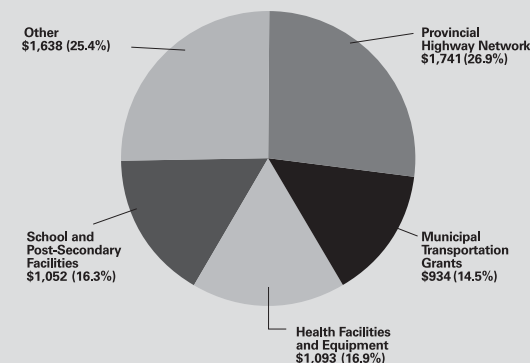
2004 - 05 Revenue
\$23 billion



2004 - 05 Expense by Function
\$22.6 billion



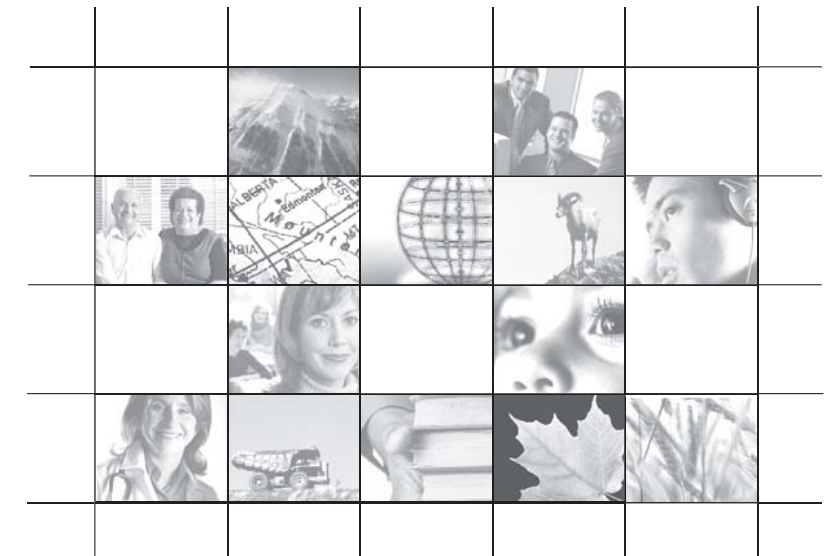
2004 - 07 Capital Plan
\$6.5 billion



Complete copies of *Budget 2004-05* and information on the 2004-07 *Government of Alberta Business Plan* are available at www.finance.gov.ab.ca or by calling toll free (310-0000) 427-3035

BUDGET 2004 ON ROUTE ON COURSE

Heading Toward Alberta's Second Century



Budget in Brief

Government of Alberta

Alberta

Looking for better ways.



Alberta heads toward its second century backed by a strong fiscal framework, a commitment to fund priority programs and services, and a long-term vision that builds on Alberta's strengths and creates new opportunities. The solid fiscal position of Alberta's eleventh-consecutive balanced budget is the foundation from which the government will build for the future. *Budget 2004* includes the release of the government's twenty-year strategic plan, *Today's Opportunities, Tomorrow's Promise*, and the four pillars that comprise the plan:

- unleashing innovation,
- leading in learning,
- competing in the global marketplace, and
- making Alberta the best place to live, work and visit

Debt

Budget 2004 keeps Alberta on route to a future free of accumulated debt by paying off another \$1 billion over the next two years, cutting the debt to \$2.7 billion by the end of 2005-06. We are within striking distance of eliminating accumulated debt.

Debt servicing costs are about \$1.4 billion less than in 1994-95. These savings have been reinvested in provincial programs, services and tax cuts.

Taxes

The ability to compete in the global marketplace is crucial, and low taxes are important to attracting industry, investment, jobs and skilled people. Alberta has among the lowest personal and corporate income taxes, property taxes and fuel taxes in the country. When combined with no general sales tax, payroll tax or capital tax, individuals and businesses in Alberta pay much less in taxes than they would in any other province.

Alberta's low personal income taxes are important to making this the best province to live, work and visit. Albertans will save about \$150 million in 2004 as we continue to index our system to inflation.

The general corporate income tax rate will drop to 11.5 per cent, and the small business rate to 3 per cent, saving businesses \$142 million in 2004-05.

School property tax rates have been reduced or frozen in each of the last 11 years. This year, school property tax rates will be cut by about 2.3 per cent, saving about \$20 million for residential, farm and business property owners. Since 1993, rates have fallen by more than 27 per cent.



Learning

The government's strategic plan includes developing well-educated and skilled citizens. Our students are some of the world's best, and we intend to keep it that way.



Learning program spending will increase by about 15 per cent over the next three years, with a \$284 million, or 5.7 per cent increase this year. Total program spending will increase to \$5.3 billion in 2004-05, rising to \$5.7 billion in 2006-07. Alberta will remain on course as a leader in learning.

Ongoing support to public and separate school boards will be close to \$3.4 billion, an increase of \$189 million or 6 per cent over last year. A new funding framework beginning September 2004 will allow boards to respond to local needs. Support to public and separate boards is on route to \$3.7 billion by 2006-07, a three-year increase of \$532 million, or about 17 per cent.

Ongoing funding for post-secondary institutions will increase by \$85 million, or 7.5 per cent, to more than \$1.2 billion, putting Alberta further on course to being a leader in post-secondary learning.

Funding for scholarships, bursaries and grants will increase by more than \$6 million in 2004-05. About 27,700 students will be helped on route to their futures with scholarships this year.

Health

A reliable and sustainable health care system is part of keeping Alberta on course to be the best place to live and work as we head toward the province's second century.

Sustainable health care is a priority for Albertans. Health and Wellness spending will be \$8 billion in 2004-05, an increase of 8.4 per cent, or \$618 million. In the next three years, Health and Wellness spending will rise by \$1.4 billion.

Support for health authorities will increase in 2004-05 by \$390 million or 8.4 per cent to \$5 billion, allowing the authorities to continue and expand levels of service. This includes targeted funds for mental health services, which will support treatment and care. A new provincial mental health plan will strengthen services for Albertans with mental illness.

Ground ambulance governance and funding responsibility will be transferred to regional health authorities from municipalities to improve coordination of services, particularly in rural areas. Funding of \$13 million will be provided in 2004-05, rising to \$55 million in 2005-06.

Social Service Programs

More than 10 per cent of the budget, about \$2.4 billion, will go to social service programs, an increase of \$103 million or 4.5 per cent.



Seniors

About \$11 million will be added to the Alberta Seniors Benefit for expected increases in the number of eligible seniors and the full-year cost of assistance with long-term care accommodation rates. Also included is \$10 million per year to enhance support for seniors. The Lodge Assistance Program, subsidizing lodge accommodation rents for lower to middle income seniors, will be increased by \$1.5 million to ensure rents remain affordable for them.

Alberta Works

Alberta Works is a new program that will integrate income support, employment and training services, health benefits, and child support services to coordinate benefits and services for low-income Albertans who need support to find a job or meet basic needs.

Health benefit programs

The Alberta Child and Adult Health Benefit programs are part of Alberta Works. These programs provide health benefits to children in low-income families, qualified adults leaving income support programs for training or work, and qualified former AISH recipients. Funding will increase by \$11 million or 44 per cent over the next three years.

Children

Spending for the protection and support of children will increase. Children's Services spending will rise by \$33 million this year and by \$75 million over the next three years. Funding for services to children with disabilities will increase 25 per cent over the next three years, and funding for family violence prevention programs will rise 60 per cent over the next three years.

Strong and secure communities

Provincial support for policing programs will increase \$58 million, or 50 per cent in 2004-05. The province is doubling the population threshold to 5,000 for municipalities not paying for policing, meaning a further 20 smaller municipalities will no longer pay for policing. A new \$16 per capita policing grant will be introduced, providing \$37 million in assistance to municipalities required to pay for policing. Money will also be available for a full complement of RCMP provincial police service officers, First Nations Policing, and other initiatives.

The government is also proceeding with restructuring of ground ambulance services, a new rural development strategy, and upgrading of community facilities.