

2004-05

Government of Alberta
Annual Report



Annual Report to Albertans on Budget 2004

Accumulated debt eliminated, support boosted for health, education, and infrastructure in 2004-05.

Budget 2004 included a vision for Alberta's second century and a twenty-year strategic plan to achieve that vision.

As part of the government's overall strategic plan, the 2004-07 Fiscal Plan focused on:

- Increasing support for health and education
- Addressing infrastructure requirements
- Enhancing the Alberta Advantage by reducing corporate income tax rates, encouraging innovation, improving the quality of life of Albertans and strengthening communities
- continuing the province's commitment to fiscal responsibility through balancing the budget and eliminating debt, and
- Protecting spending plans from revenue volatility and costs of emergencies and disasters through the Alberta Sustainability Fund

Highlights

- The budget was balanced for the eleventh consecutive year. Accumulated debt was eliminated.
- Support for capital projects increased by 70 per cent, reaching \$2.8 billion.
- The Alberta Sustainability Fund provided nearly \$1 billion to offset the cost of disasters, emergencies and natural rebates.

Health reform continued with new initiatives to improve the health system. Health spending accounted for 37% per cent of total expense.

- Health spending was \$9.1 billion, or about \$25 million per day, in 2004-05. This was an increase of 18.8 per cent, or \$1.4 billion, from 2003-04 and \$664 million higher than budgeted.
- Capital Plan spending for health included \$863 million for health facilities and equipment, an increase of \$580 million from 2003-04. This included \$847 million in capital grants to health authorities and \$16 million in capital investment on government-owned capital. Capital funding included support for:
 - Alberta Children's Hospital in Calgary and the Mazankowski Alberta Heart Institute in Edmonton.
 - Redeveloping and renovating capital facilities and implementing rural health infrastructure initiatives.
 - The Health Sustainability Initiative Fund for 19 redevelopment projects, primarily in the rural areas, focusing on facility conversions, consolidating services, integrating mental health clinics, and new service delivery models.

Measuring Up

As part of the *Government of Alberta Annual Report*, Measuring Up records government progress against the achievement targets set annually in the provincial budget. It also shows the government expense that went toward each goal. Selected measures, results, and examples of government action are shown here.

- Albertans reporting the overall quality of health care received "excellent" or "good": 86% (target: 85%).
- 86% of Albertans had "easy" or "very easy" access to physician services (target: 86%), while 72% of Albertans had "easy" or "very easy" access to hospital services (target: 72%).
- 77% of Albertans did not smoke (target: 75%); 56% exercised regularly (target: 55%) and 47% had an acceptable weight (target: 50%).
- High school completion rate for Albertans aged 25-34: 90% (target: 90%), Post-secondary completion rate: 57% (target: 60%).
- Percentage of participants employed as a result of Work Foundations and Training for Work programs: 81% (target: 70%).

Education spending accounted for 26% per cent of total expense.

- Education spending was \$6.4 billion, or nearly \$18 million per day, an increase of 9.1 per cent or \$534 million, from 2003-04 and \$30 million higher than budgeted. The increase from 2003-04 reflects higher basic and post-secondary operating grants, increased teacher pension costs and increased funding for capital projects.
- Capital Plan spending for education supported \$453 million in capital projects, an increase of 70 per cent, or \$186 million from 2003-04. This included \$222 million for school projects and \$231 million for post-secondary institutions. Initiatives included:
 - o *Schools*—Seven new schools were opened in 2004-05; other major projects included the completion of five replacement schools and an expansion.
 - o *Post-secondary Institutions*—Continued construction of the Health Research Innovation centres at the Universities of Alberta and Calgary; and completion of the University of Alberta's Natural Resources Engineering Facility.

Social Services spending was \$2.5 billion in 2004-05. This was an increase of 9.3 per cent, or \$210 million, from 2003-04 and \$67 million higher than budgeted. The increase from the previous year reflected higher spending on children's services, Persons with Developmental Disabilities, income supports and the Alberta Seniors Benefit.

Agriculture, Resource Management and Economic Development

spending was \$1.9 billion in 2004-05. This was a decrease of 5.5 per cent from 2003-04 and was primarily due to lower disaster assistance for BSE. Spending was \$421 million higher than budgeted primarily due to BSE assistance provided in-year because of the extended U.S. border closure to live cattle.

Transportation, Communications and Utilities spending was \$1.3 billion in 2004-05. This was an increase of 24.4 per cent, or \$249 million, from 2003-04 and \$266 million higher than budgeted. The increase from 2003-04 primarily reflects increased rural and municipal grants, and higher natural gas rebates.

Protection of Persons and Property spending was \$958 million in 2004-05. This was an increase of 11 per cent, or \$96 million, from 2003-04 and \$157 million more than budgeted. The increase from 2003-04 reflects increased support for policing and provincial assistance for flooding. This was partly offset by lower fire-fighting costs.

- Percentage of Albertans satisfied with their local governments: 79% (target: 75%).
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- Gross Domestic Product 3-year average annual nominal growth rate: 7.6% (target: 4%).
- Personal disposable income per capita: highest (target: highest).
- Labour productivity: highest among provinces (target: highest).
- Value of sponsored research at universities: \$583.7 million (target: \$492 million).
- Public approval of human rights protection effectiveness: 87.6% (target: 86%).
- Number of lost-time claims per 100 person-years worked: 2.6 (2004), lowest since 1991. (target: 2 or lower).
- Health facilities in "fair" or "good" condition: 96% (target: 94%).
- Education institutions in "fair" or "good" condition:
 - o Schools 97% (target: 95%).
 - o Post-secondary: 88% (target: 91%).
- Provincial highways in "fair" or "good" condition: 88.8% (target: 86%).
- Accumulated Debt (less cash set aside): Zero (target: \$3 billion).
- Total provincial and municipal tax load: lowest (target: lowest).