

Activity Report

The *2006-07 First Quarter Activity Report* covers some of the activities, programs, and initiatives undertaken by the Government of Alberta from April to June 2006. The complete Activity Report may be obtained by visiting www.finance.gov.ab.ca, any MLA constituency office, or by calling toll free 310-4455. Below are some highlights from the report:

- » Launched the *Virtual Interactive Tour* of the Alberta Legislature to support the new social studies program of studies and to celebrate 100 years of democracy in Alberta.
- » Joined an elite group of Canadian jurisdictions in adopting the LEED (Leadership in Energy and Environmental Design) Silver standard - a world-recognized environmentally friendly standard - for designing new government-owned and supported buildings. The LEED Silver standard conserves energy, saves taxpayers money, and reduces the buildings' impact on the environment.
- » Proclaimed the *Persons with Developmental Disabilities Community Governance Amendment Act*. This legislation enhances the role of the community boards that administer services through the Persons with Developmental Disabilities (PDD) program, while improving the province's ability to better coordinate all the programs that provide support to Albertans with disabilities.
- » Introduced the Millennium Alberta Rural Incentive Bursaries that will provide 8,100 post secondary students from rural Alberta with \$1,000 each towards their post-secondary education. The program is a partnership between the Alberta government and the Canada Millennium Scholarship Foundation.

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- » Allocated nearly \$400,000 through Northern LINKS funding for schools, school jurisdictions, Métis Settlements, and First Nations to carry out campus tours and student liaisons for the 2006-07 fiscal year.
- » Hosted a highly successful *Alberta Week in Washington* program as part of *Alberta at the Smithsonian*. Economic forums and meetings with key U.S. decision-makers and political leaders generated unprecedented national and American interest and media coverage for Alberta as a trusted partner and a source of secure energy.
- » Completed negotiations on a federal-provincial agreement to allow international students who study at Alberta public post-secondary institutions to work off-campus. Allowing international students to work off-campus helps address labour shortages and gives students an opportunity to see what a great place Alberta is to live and work.
- » Launched *SummerActive 2006*, a national initiative to encourage regular physical activity, healthy eating, a tobacco-free lifestyle, and participation in sports. During the six-week campaign, Alberta hosted 63 events with 91,874 participants.
- » Developed a new campaign to provide teens with information about online safety through movie theatre advertising and a new website. The website, www.weron2u.ca, is written from a peer-to-peer perspective and includes information about predator tactics, safety tips, and true stories.
- » Distributed more than \$500,000 in Alberta community crime prevention grants to local projects across the province. Projects ranged from initiatives to reduce family violence, bullying, and elder abuse, to programs that support youth and Aboriginals in their community. Grant recipients included non-profit organizations and associations, and community-based coalitions and networks.

First Quarter QuickFacts

Fiscal Update - Activity Report



2006 - 2007 Quarterly Budget Report

Fiscal Update

Strong fiscal results allow increased investment in capital and savings

The Government of Alberta's 2006-07 First Quarter Fiscal Update forecasts a **surplus** of \$4.3 billion, a \$193 million increase from budget. Higher 2006-07 revenue and better-than-forecast 2005-06 fourth quarter results have allowed for increased **capital support** and **savings**.

Revenue

Total revenue is forecast at \$33.9 billion, a \$1.5 billion increase from budget. The increase reflects higher income tax and energy revenue.

Non-renewable resource revenue is forecast at \$11.9 billion, \$531 million higher than the budget estimate. Total **oil royalties** are forecast at \$3.8 billion, \$1.1 billion higher than estimated in the budget, reflecting record high oil prices, while **natural gas royalties** are forecast at \$6.2 billion, a decrease of \$950 million from the budget estimate, reflecting weaker-than-expected natural gas prices. These changes illustrate the volatility of energy markets.

Personal income tax revenue is forecast at \$6.7 billion, up \$689 million from budget, reflecting a stronger outlook for personal and labour income, and higher-than-expected 2005 assessments. **Corporate income tax revenue** is forecast at \$2.7 billion, up \$473 million from budget, reflecting a much stronger corporate profit outlook.

The complete 2006-07 First Quarter Fiscal Update may be obtained by visiting www.finance.gov.ab.ca, any MLA constituency office, or by calling toll free 310-4455.

Expense

Total expense is forecast at \$29.7 billion, \$1.3 billion higher than the budget estimate, reflecting significant increases in **capital grants, disaster/emergency assistance, natural gas rebates, and school and health authority operations**.

Education funding has been increased by \$293 million to more than \$5.4 billion. The increase includes \$61 million for operating support to schools and \$232 million for school maintenance and renewal, cost escalation of approved projects, modular classrooms, and new schools and preservation projects.

An additional \$262 million in **health** funding is being provided, bringing total funding to \$10.6 billion. The increase comprises \$150 million for medical equipment, \$81 million for health authority operations, and \$31 million for auxiliary nursing salary adjustments.

Savings and Funds

A total of \$2.5 billion has been allocated in 2006-07 to savings and funds, including the new Energy Innovation Fund. Highlights include:

- \$1.3 billion for the **Heritage Fund** (\$1 billion deposit and \$283 million for inflation-proofing)
- \$250 million for the **advanced education endowment** (in the Heritage Fund)
- \$500 million for the **Alberta Cancer Prevention Legacy Fund**
- \$200 million for a new **Energy Innovation Fund**, to support energy development and efficiency, as well as environmental protection and sustainability
- \$150 million for the **Medical Research Endowment Fund**
- \$100 million for the **Science and Engineering Research Endowment Fund**
- \$20 million for the **Scholarship Fund**

2006-07 Capital Plan

Capital commitments have been increased by \$1.8 billion. This includes \$711 million in 2006-07 and \$1.1 billion in future years. This increase will provide for cost escalation of approved projects, additional school projects, health equipment, a new Edmonton Remand Centre, a province-wide policing information technology system, petroleum tank site remediation, regional water systems, and other infrastructure support.

Highlights from the 2006-07 \$4.9 billion Capital Plan include:

- A total allocation of nearly \$1.1 billion for **municipal infrastructure support**, \$64 million higher than budgeted
- An increase of \$150 million for health equipment, bringing total funding for **health facilities and equipment** to nearly \$900 million
- A total allocation of \$571 million for **schools**, an increase of \$232 million from budget
- A \$49 million increase from budget for **post-secondary facilities**, bringing the total allocation to \$327 million
- \$105 million for **water and wastewater management**, a \$15 million increase from budget (a further \$100 million has been committed in 2007-08 for regional water systems)
- More than \$1.9 billion in other capital support, including the provincial highway network, and government facilities, housing, and equipment