



ALBERTA **BUDGET** 2024-25 **OVERVIEW**



WELLINGTON
ADVOCACY

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CONTEXT

Budget 2024 is the first budget from the United Conservative Party's second term following re-election last spring. This is the second budget under Premier Danielle Smith and the first under Treasury Board President and Finance Minister Nate Horner.

Last week, Premier Smith delivered a televised address to outline the government's fiscal considerations, seeking to create long-term stability that isn't at risk of volatility in resource revenues. Additionally, the Premier announced a long-term strategic financial plan to create stable, predictable returns for the province by investing heavily in the Alberta Heritage Trust Fund. Currently worth about \$22 billion, the Government plans to increase the fund's value to between \$250 billion and \$400 billion by 2050.

This commitment comes as the Government invests resources to refocus healthcare following last fall's announcement initiating healthcare restructuring.

OVERVIEW

The central theme highlighted in the budget is responsibility. In his Budget address in the Legislature, Finance Minister Horner emphasized Alberta's growth, noting that the province is undergoing its highest annual growth rate since the 1980s.

KEY NUMBERS

TOTAL EXPENSES

\$73.17B

TOTAL REVENUE

\$73.54B

SURPLUS

\$367M

DEBT-TO-GDP RATIO

9.1 %

Overall, operating expenses are \$2.2 billion higher than forecast in last year's budget. The contingency allocation increased to \$2.0 billion for unanticipated emergencies. Projected revenue for 2024-25 stands at \$73.5 billion, showing a decrease of \$2.1 billion compared to the third-quarter forecast of \$75.6 billion for 2023-24.

In terms of revenues, the province is projecting:

- Personal Income Tax: \$15.604 billion
- Corporate Income Tax: \$7.028 billion
- Other taxes: \$6.013 billion
- Resource revenues (bitumen): \$12.538 billion
- Resource revenues (other): \$4.777 billion

The budget invests heavily in health care and education. For health, the 2024 budget emphasizes ensuring dependable healthcare services throughout the province, allocating \$26.2 billion to the health ministry's operational expenses. This investment marks an increase of \$1.1 billion, equivalent to 4.4%, compared to the previous forecast.

Additionally, the \$25 billion Capital Plan for Budget 2024 is \$2 billion more than last year, it includes:

- \$3.6 billion for health infrastructure
- \$3.7 billion for capital maintenance
- \$2.2 billion for road and bridge projects
- \$2.1 billion for K-12 school projects
- \$7.2 billion in municipal infrastructure
- \$180 million for post-secondary infrastructure

Budget 2024 also addresses issues of affordability for Albertans. Measures include \$1.5 billion for childcare services (an increase of 15.9% compared to last year), a new \$30 million program for recreation facilities, and \$717 million in capital grants over three years for Alberta's Affordable Housing Strategy.

This budget isn't without new taxes. The government is introducing a new \$200 electric vehicle tax, a new vaping tax effective next January, and increasing the land titles registration levy.

ENERGY PRICES AND REVENUES

The Government of Alberta's energy assumptions for 2024 are as follows:

- WTI \$74 (USD/bbl)
- WCS \$76.80 (CDN/bbl)
- Light-heavy differential \$16.00 (USD/bbl)
- Natural gas price \$2.90 (CND/GJ)

While the provincial government acknowledges uncertainty – both regulatory and political – from the federal government in Ottawa, there is also optimism: in addition to growth in natural gas output, oil production is expected to grow between 2% and 3% annually, bringing the province's total production to a historic high of more than 4.2 million barrels per day by 2027.

"This is a budget based on the same priorities held by many Albertans who create their own household budgets; Albertans who have also had to make tough choices to take care of the needs of the family, make their mortgage payments, and save for the future."

HEALTH

Budget 2024 makes the following health commitments:

- \$6.6 billion for physician compensation and development programs
- \$475 million to support the ongoing implementation of the Modernizing Alberta's Primary Health Care System, consisting of \$200 million (over two years) to improve access to family physicians, \$10 million for primary health-care initiatives in Alberta's Indigenous communities, and \$15 million to further development of a nurse practitioners compensation model
- \$1.55 billion total expense to continue building the Alberta Recovery Model for addressing addictions
- \$3.6 billion over three years in capital funding to maintain or expand healthcare facilities, including the Red Deer Regional Hospital redevelopment
- \$200 million over two years to enhance accessibility to family physicians and primary healthcare services
- \$10 million to support the development of a province-wide midwifery strategy
- \$8 million allocated over two years to expand the Alberta Newborn Screening Program, a UCP election platform commitment

Alberta is currently in the process of making substantial changes to healthcare delivery. As announced last November, the new system will be organized into four organizations operating under a single healthcare system. Health Minister Adriana LaGrange indicated earlier in the week that the province was considering opting out of the national pharmacare plan announced by the federal Liberal government.

JOBS AND TRAINING INVESTMENTS

Alberta's ongoing growth was crucial to Minister Horner's budget address. Budget 2024 makes several commitments to support this development, as over 97,000 people are expected to join Alberta's labour force in 2024.

The one-time "Alberta is Calling" hiring bonus is detailed in the budget. Initially announced during the 2023 UCP campaign, the plan will provide a \$5,000 refundable tax credit to individuals working in eligible professions who relocate to Alberta after the program's start date in April 2024. Eligibility requirements include filing 2024 taxes in Alberta and residing in the province for at least 12 months.

\$62.4 million is designated over three years to establish two Rural Health Professional Training Centers and broaden physician education initiatives to address severe shortages of medical professionals, particularly in rural Alberta.

Finally, there is a new \$24 million commitment over three years to create 3,200 apprenticeship seats at eleven post-secondary institutions across Alberta. The announcement brings the total funding through the Apprenticeship Learning Grant for the 2024-25 academic year to \$78 million.

WHAT TO EXPECT NEXT

The week after the budget's introduction is a constituency week in which MLAs return to their communities. Albertans can expect several locally focused government announcements over the coming weeks, drawing attention to various aspects of the 2024-25 budget.

Opposition criticism of the UCP budget may look more varied than in previous years as the NDP is in the midst of an ongoing leadership race following the resignation of long-time leader Rachel Notley. A new leader chosen by members will be announced on June 22.

If you have questions about the upcoming election or seek to understand how your priorities align with the Government of Alberta, the UCP caucus, or the opposition NDP caucus, our Wellington Advocacy team is here to help.



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