



## Responsible fiscal management

Budget 2024 is a responsible plan to manage Alberta's finances wisely, grow our economy and maintain Alberta's position as the economic engine of Canada.

### Maintaining our fiscal framework

Alberta's legislated fiscal framework requires the government to balance the budget, control spending, and pay down provincial debt. Repaying debt as it matures helps to reduce debt servicing costs, freeing up money for important government programs and services.

### Balancing the budget

Budget 2024 is a balanced budget, with a forecast surplus of \$367 million in 2024–25, and surpluses of \$1.4 billion and \$2.6 billion in 2025–26 and 2026–27 respectively.

### Paying down debt

Under the fiscal framework, half of any surplus cash must first go to repay debt maturing that fiscal year. The remaining cash may be used to further pay down the debt, invest in the Alberta Heritage Savings Trust Fund or be spent on one-time initiatives that don't require ongoing funding.

An estimated \$6.4 billion in surplus cash is projected at the end of 2023–24. The government is using half, or \$3.2 billion, to pay off maturing debt this fiscal year.

Of the remaining \$3.2 billion surplus cash, a forecast \$2 billion will be put in the Heritage Fund, and the other \$1.2 billion is being allocated to debt repayment to limit new borrowing required in 2024–25.

- \$3.2 billion debt repayment in 2023–24
- Taxpayer-supported debt at March 31, 2024: an estimated \$76.1 billion

| Taxpayer-supported debt is estimated to be \$78.4 billion at March 31, 2025.



## Saving for the future

An estimated \$1 billion of investment earnings will be retained in the Heritage Fund in 2023–24. Another \$2 billion of surplus cash from the Alberta Fund will be deposited into the Heritage Fund.

That will bring the net worth of the Alberta Heritage Savings Trust Fund to an estimated \$25 billion.

The government will be developing a long-term plan to grow the Heritage Fund to between \$250 billion and \$400 billion by 2050. That plan will be shared with the public before the end of 2024.

## Sustainable fiscal planning

Government will introduce proposed changes to the fiscal framework to support responsible spending decisions while continuing to balance the budget.

The fiscal framework currently limits in-year expense increases to a budgeted and voted contingency, with certain exceptions. Under proposed amendments, the Alberta Fund would be excluded from the in-year spending rule to give the government more flexibility and more time to make spending decisions, as long as that spending would not produce a deficit.

The Alberta Carbon Capture Incentive Program would also be excluded from the framework's spending limitations, as is already the case for the Alberta Petrochemicals Incentive Program. This would allow the province to provide unexpected and potentially large grants to projects when they become eligible, since these grants are difficult to predict and budget for. This ensures the province's ongoing commitment to support emerging innovators and reduce carbon emissions.

Going forward, the Mid-year Fiscal Update and Economic Statement would return to the previous reporting practice of providing an update on the current fiscal year rather than three fiscal years. The current practice has been in place less than five years and the change would make the current mid-year fiscal update and annual budgeting processes more efficient.