

Enserva Briefing Note: Alberta Budget 2024

On Thursday February 29, 2024, Alberta's Minister of Finance, Nate Horner, released Alberta [Budget 2024: A Responsible Plan for a Growing Province](#), outlining key priorities, fiscal policies, and strategic initiatives for the province.

Being the first budget following the 2023 provincial election, spending restraint was expected. A tightening of the provincial purse strings was also signaled in Premier Smith's [pre-budget address](#) on February 21 in which she discussed the province's plan to grow the Heritage Savings Trust Fund and a need to defer the election-promised tax break until 2026.

Overall, the budget outlined a 3.9 per cent increase in spending in 2024-25 to \$73.2 billion, landing the province at a surplus of \$367 million for 2024-25, rising to \$1.4 billion and \$2.6 billion in the following years.

Budget 2024 is based on the assumption of WTI averaging at \$74 USD and WCS at \$76.80 CAD, with the differential estimated at \$16.00 USD and tightening in the years ahead. The province predicts oil production to average nearly 3.9 million barrels per day in 2024.

Natural gas prices are still feeling the impact of weaker demand, though are expected to gradually improve in 2025. The budget forecasts ARP to average \$2.90 CAD per gigajoule in 2024-25.

No increases to personal or corporate tax rates are planned, though a new tax on electric vehicles will be introduced through legislation in fall 2024. This \$200 annual tax is planned to come into effect as early as January 1, 2025, and will not apply to hybrid vehicles.

In 2023, Alberta added 90,000 jobs, amounting to 22 per cent of the total jobs added nationally with 12 per cent of the population. The province aims to continue this strong job growth with the introduction of the "Alberta is Calling Attraction Bonus", which intends to draw skilled workers to the province through a \$5000 refundable tax credit. The program will begin in April 2024.

The province also announced plans to invest in water availability and drought management, including \$19 million to develop a new water strategy and the formation of a Water Advisory Committee.

New notable investments in the province's energy industry were not made, though Budget 2024 did restate the province's commitment to existing investment attraction and emissions

reduction programs targeting the industry. These include the Alberta Petrochemical Incentive Program, the Technology Innovation and Emissions Reduction fund, and the recently announced Alberta Carbon Capture Incentive Program (ACCIP). Funding for the ACCIP is expected in future budget capital plans, as the program is designed to provide financial support once construction of eligible projects is complete.

If you have specific concerns or areas of interest related to the budget, please feel free to contact our team at thides@enserva.ca.

Key fiscal highlights from Budget 2024:

- Total spending: \$73.2 billion in 2024-25, a 3.9% increase from the previous forecast
- Surplus: \$367 million forecasted for 2024-25
- Real GDP growth: 2.9% growth forecasted for 2024
- Debt: \$78.4 billion by the end of 2024-25
- Debt-to-GDP ratio: 9.1% estimated for 2024-25
- Capital spending: \$25 billion planned over the next three years
- Non-renewable resource revenue: estimated at \$17.3 billion for 2024-25, 24% of total revenue

For further reading:

- [Alberta Budget 2024: What you need to know](#)
- [Alberta delays income tax cut, introduces electric vehicle tax](#)
- [Bell: Will Albertans buy Danielle Smith and the UCP's beer budget?](#)