

PROUD to be Albertan

*"Every day, I am
amazed by the
ingenuity, initiative
and commitment of
Albertans—it's truly
inspiring."*

RALPH KLEIN

Albertans are unique—we have an eternal pioneering and entrepreneurial spirit. We are proud of our freedoms, our accomplishments, and our willingness to try new things.

Albertans dare to be different. When Albertans decided the province should be deficit and debt free, everyone tightened their belts and pulled together to get it done. When farmers were overwhelmed by drought and BSE, Albertans stood tall and came to their aid. Even in tough times, Albertans are proud of being independent and determined. We have a strong feeling of self-determination that is balanced with our commitment to our families and the greater community—it's this spirit that makes us Proud to be Albertan.

A Progressive Conservative government is committed to these core Albertan values and principles:

- Alberta will always be debt-free
- Spend wisely and never spend more than we can afford
- A sustainable health care system that is always there when people need it
- An education system that leads the world and enables and encourages Albertans to contribute to their fullest potential
- Communities that have quality of life second to none
- Respect and care for those less advantaged
- Respect and support for Alberta's seniors
- A diversified economy that provides jobs and opportunities for all Albertans
- An economic climate that fosters innovation, growth and investment
- A sustainable agricultural industry that contributes to strong rural communities
- The lowest personal income taxes in Canada and no sales tax
- Government that gets out of the way to let people do what they do best
- Alberta will always be a place where people want to live, work and visit
- Government will listen and be responsive to the needs and wishes of Albertans
- Alberta will remain a strong province and leader within Canada

HEALTH & Education

“Without good health and quality education, we have no future.

Our commitment is to be the best in both.”

RALPH KLEIN

Health

Alberta has won recognition for its outstanding health care system but more can be done to address current challenges. Our government is committed to a quality public health care system that is responsive, sustainable and affordable and based on these commitments:

- Publicly funded health care will always be there when people need it
- Major investments will reduce waiting times and access, especially in orthopedics and cardiac areas
- Special scholarships will be expanded to encourage physicians to locate in rural communities
- An emphasis will be placed on promoting wellness and healthy life style choices to reduce or minimize the need for treatment
- The Cardiac Care Centre of Excellence in Edmonton, the Joint Surgery Centre of Excellence in Calgary, and the Alberta Children’s Hospital will be completed and other hospitals will be modernized and expanded.

Education

Alberta students are world-class performers. The province’s students consistently score at or near the top in international test results. Today, Alberta spends more per-student than any other province. Degree granting opportunities are being expanded to post-secondary to improve access.

As well, we will:

- Complete implementation of the recommendations of the Commission on Learning
- Over three years, reduce class sizes to 17 students for K to grade 3; 23 students grades 4 to 6; 25 students grades 7 to 9; and 27 students grades 10 to 12
- Maintain limits on tuition increases
- Ensure the student loan program is responsive to needs of students and their families
- Continue the Campus Alberta program to ensure people have access to on-line learning anywhere in Alberta
- Ensure all schools have access to the SuperNet and related technologies

ALBERTA'S future economy

*"People are moving to
Alberta, because we are
a province of
opportunity for them
and their families."*

RALPH KLEIN

Alberta is blessed with exceptional citizens, abundant natural resources and unlimited opportunities. The \$94 billion inventory in major Alberta projects is a testament to the province's positive investment climate. We have the highest employment in the country and a superb support network of colleges, technical schools and universities.

Maintaining and strengthening Alberta's economic advantage requires a commitment to our success principles—belief in free enterprise; willingness to take risks; ability to stand up for Alberta; and the discipline to maintain a positive fiscal regime without debt. These are guiding PC principles.

We will:

- Continue to maintain a positive investment and business climate
- Keep personal and corporate taxes the lowest in Canada
- Minimize the regulatory burden on businesses
- Promote economic diversification and new technologies
- Work with industry to strengthen global competitiveness
- Maintain and develop a highly-skilled workforce

Agriculture

- Work towards long-term viability of the agricultural industry
- Implement a six-point recovery strategy for the cattle industry
- Work to open the US border to the movement of live cattle
- Encourage investment in domestic slaughter and processing capacity
- Continue to develop research capacity to ensure a safe food supply
- Implement the rural development plan to maintain viable rural communities

Energy

- Maintain Natural Gas Rebates to offset high winter natural gas prices
- Encourage further investment and competition in electricity markets
- Maintain an environment conducive to investment in the oil sands
- Encourage development of alternative energy sources—coal bed methane, wind, hydrogen, biomass, etc.

- Streamline the energy, environmental and resource management regulatory system

FUTURE for people

*"We have to do
whatever we can to
ensure that Alberta is
the best place in the
world for children to
live and grow."*

RALPH KLEIN

Alberta's greatest resource is its people. They have never-ending optimism and enthusiasm for our province. Our goal is to ensure all Albertans share in the Alberta Advantage through opportunity and support when needed. We must work together to ensure safe caring communities where our children and youth can grow and thrive, and where our seniors are respected. We will work with you to:

- Ensure Alberta's children get a good start in life
- Work to resolve problems with children-at-risk
- Enhance programs that help children affected by Fetal Alcohol Spectrum Disorder and similar challenges
- Ensure the well-being of our seniors-especially those in need
- Ensure seniors do not pay public health care premiums
- Re-introduce programs for seniors for optical and dental assistance
- Provide seniors with assistance with the education portion of property taxes beginning in 2005
- Help seniors remain in their own homes as long as possible
- Create safe communities with emphasis on crime prevention
- Direct efforts towards resolving substance abuse problems such as crystal meth

ALBERTA'S communities

"Alberta

communities continue

to offer a quality of

life second to none in

Canada. Our superb

quality of life is critical

for economic growth."

RALPH KLEIN

Albertans live in a wide variety of communities-cities, towns, villages, summer villages, Aboriginal communities, counties, Métis settlements, municipal districts, special areas, improvement districts and special municipalities. Our goal is to work towards ensuring these communities are places where Albertans wish to live, work and visit.

We will:

- Continue to give those in need a "hand up" rather than just a "hand out"
- Complete the AISH program review and make changes if warranted
- Work to have all Albertans benefit from the Alberta Advantage

Infrastructure

- Invest a further \$3 billion in infrastructure, with \$1 billion for Edmonton, \$1 billion for Calgary and \$1 billion for other urban and rural municipalities. That is in addition to the \$6.8 billion for roads and infrastructure committed this year and for 2005 and 2006
- Complete the twinning of the North-South Trade Corridor
- Provide funds for building or upgrading schools, hospitals, and post-secondary institutions

Environment

- Preserve the land we love, the air we breathe and the water we drink, while balancing the demands of industry and other usage groups
- Further develop and implement Alberta's Water Strategy
- Work with industry and communities to protect Alberta from the negative impacts of the Kyoto Protocol while taking steps to reduce greenhouse gas emissions

DEBT Free Alberta

Debt-free Alberta – what does it mean?

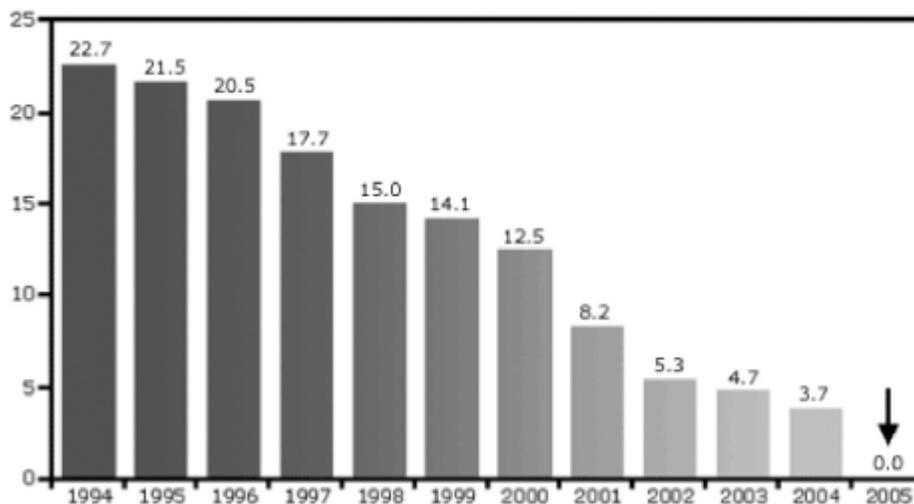
In 1993 Alberta was facing an economic crisis—our province was deeply in debt, we had a deficit and there appeared to be no end in sight. The way things were going, Alberta was paying more in interest payments than on some essential government services.

Something had to be done—it wasn't easy. Ralph Klein, following his election as Premier in June 1993, made a commitment to get rid of the deficit and then the debt. There were incredible protests but the job got done. Few people realized the magnitude of the problem or the tremendous benefits that Alberta has achieved because of the turn around.

How big was the debt?

Alberta's debt as of April 1, 1993 was \$23 billion and growing and we were to pay \$1.7 billion in interest in that year plus principle payments. As of March 1, 2004 our debt was down to \$2.7 billion and we were to pay \$300 million in interest.

Accumulated Debt Retirement (Net of cash set aside) as of March 31 (\$billions)



How much interest have we paid?

Since April 1993 Alberta has paid \$12.829 billion in interest. That is a huge amount of money that could have been used for health care, education, infrastructure, or other government services.

Where are the interest savings now?

For the first two years of the Klein revolution the debt actually increased as Alberta was forced to continue borrowing until structural spending changes could take effect. Once the deficit was defeated, interest began to be freed up. In the first few years all Albertans made sacrifices. The public sector took a 5% roll back and we got spending under control. By 1995-1996 the cuts were over and reinvestment began to occur.

Money was put into health care, education, social services and infrastructure. Not as much as some people wanted—to do that Alberta would have had to go into debt again. Each year additional interest savings were either directed to priority spending areas or against the remaining debt.

Where would we be today – if we hadn't gone debt free?

Alberta would be just where many other provinces are today—they have huge debts and high interest payments and less and less money to spend on health, education and infrastructure.

This quotation from Statistics Canada released on August 4 of this year says it well: “At March 31, 2003, the net debt (defined as the excess of liabilities over financial assets) of provincial and territorial general governments reached \$255.9 billion, an increase of \$6.4 billion (+2.6%) over March 31, 2002. The financial assets stood at \$258.1 billion and total liabilities, at \$514.0 billion. At the provincial and territorial level, Alberta, Northwest Territories and Yukon continue to show a positive excess of financial assets over liabilities in 2003.”

Without paying down the debt our taxes would have to be higher but they have gone the other way. The Fraser Institute's Tax Freedom Day for 2004 report says, “Alberta leads with the largest decline in its Tax Freedom Day from its peak in 2000 to 2004, recording a 20-day improvement.”

What about surpluses?

Alberta is blessed with abundant natural resources but the oilsands don't stop because there is a line on a map. One must ask, why has Alberta so much investment in oil sand development and Saskatchewan hasn't. The reason is government. Businesses do not feel comfortable investing vast amounts of money when they are afraid of taxation and government. Alberta under Ralph Klein has created a positive investment climate—businesses are moving here and investment is increasing every day.

These vast investments and high energy revenues should continue to generate financial surpluses for Alberta. Over the past few years, much of the surplus revenues have gone to debt repayment. Now, that is no longer necessary, what should be done with them?

It is up to you!

In recent weeks a questionnaire was distributed to every household in Alberta. At the time of writing 192,000 had been returned and more are arriving every day. The questionnaire asks Albertans what they want to see done with the money freed up from interest payments and what they want done with any surpluses.

Premier Klein has made a commitment to listen to Albertans and save, spend or invest as Albertans give guidance. You can still send in your ideas if you have not—the deadline has been extended to ensure everyone has a chance to respond. If you didn't get a copy call 310-0000 or complete the questionnaire on line at: www.gov.ab.ca

ALBERTA'S Economy

"Value of Alberta's major projects exceeds \$90 billion!" Mark Norris, Minister Economic Development
Sept. 2004.

"Alberta's economy is reasserting its dominance, as a 4.1% real GDP advance places it firmly at the front of the growth pack this year. Alberta should see its relative economic edge extend into 2005, with growth of just under 4% . . ." CIBC World Markets, Sept. 2004

"For 2005, the real GDP growth outlook is for the western markets of Vancouver, Edmonton and Calgary . . ." TD Financial Group Regional Economic Outlook, July 2004

"The absence of provincial sales tax and a low (by Canadian standards) flat-rate provincial income tax, results in Alberta generally offering the lowest total personal taxation costs among the Canadian cities examined. . . . Alberta cities do consistently rank ahead of all of other Canadian cities examined, demonstrating the lowest cost of living in Canada." A Comparison of Personal Taxes and Cost of Living in Alberta, Canada and the United States, MMK Consulting Inc. & Runzheimer Canada, March 2004.

These quotations are the signs of a robust economy that is poised to do even better. Government pro-economic development policies mean every sector of Alberta's economy is benefiting from investment—it is not just oil and gas. Alberta is the place where people want to invest and do business. A strong economy means employment opportunities and growth in all areas of Alberta.

Challenges within the agricultural sector will get resolved and rural Alberta will contribute more to the overall well being of Alberta.

Inventory of Major Alberta Projects

August 2004

Sector	Projects	Value of Projects (\$millions)
Agriculture & Related	13	\$305.90
Chemicals & Petrochemicals	7	\$150.00
Commercial/Retail	82	\$1,564.00
Commercial/Retail and Residential	8	\$1,104.00
Forestry & Related	7	\$472.00
Infrastructure	299	\$9,473.70
Institutional	216	\$5,455.20
Manufacturing	7	\$121.50
Mining	5	\$252.80
Oil, Gas & Oilsands	70	\$61,975.90
Other Industrial	8	\$146.20
Pipelines	27	\$1,708.80
Power	27	\$3,546.00
Residential	102	\$1,388.10
Telecommunications	1	\$300.00
Tourism/Recreation	125	\$4,151.70
Total	1004	\$92,115.80

Footnotes:

1. This Inventory lists projects in Alberta, valued at \$2 million or greater, that have recently been completed, are currently under construction, or are proposed to start construction within two years. Not all projects over this threshold are listed, due to reasons of confidentiality and/or due to information not being available at the time of printing.
2. Project data is obtained from public information sources. Although, where possible, this data has been verified with the project proponent/developer, users of the Inventory may wish to confirm project data with the proponent/developer.
3. The Inventory does not break down project expenditures by any given year. The cost of a project is the value of expenditures expected over all phases of project construction, which may span two or more years.
4. The values of projects listed in the Inventory are estimated only.

Then and Now

1993-94	2004-05
Debt \$22.7 billion	Debt \$0
Deficit \$1.4 billion	11th consecutive balanced budget
Personal Income Per Capita (1993) \$22,877 (ranked 3 rd in Canada)	Personal Income Per Capita (2003) \$33,665 (ranked 1 st in Canada)
Alberta Unemployment Rate 9.6% (1993)	Alberta Unemployment Rate 4.8% (2004 year-to-date average)
Total Alberta Employment 1.294 million (1993)	Total Alberta Employment 1.749 million (2004 average)
Health Spending \$4.2 billion	Health Spending \$9.1 billion
Education Spending \$4 billion	Education Spending \$6.4 billion
Capital Spending \$1.1 billion	Capital Spending \$2.9 billion
Population 2,667,448 (1993)	Population (April 2004 estimate) 3,183,312
Gross Domestic Product (1993) \$80.7 billion	Gross Domestic Product (2004 Budget estimate) \$175.4 billion

How Does Alberta compare with the rest of Canada?

Alberta is forecast to lead the nation in almost every economic category—GDP, employment, retail sales, lowest unemployment rate, and lowest inflation rate.

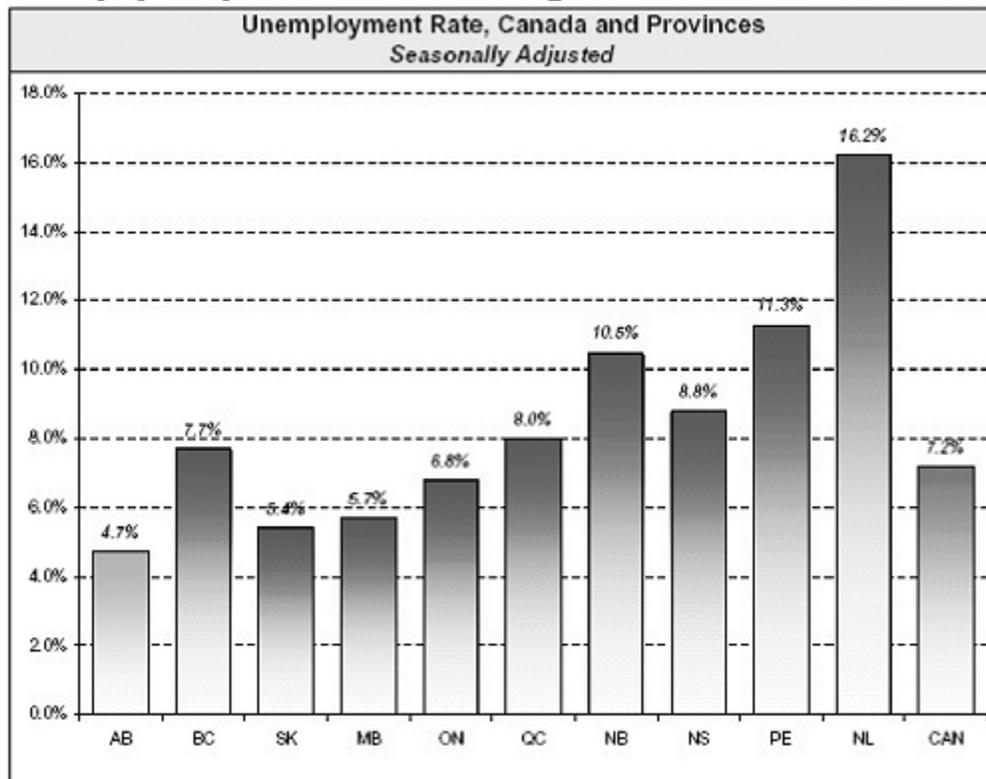
Provincial Economic Forecasts									
	Real GDP*			Employment			Unemployment Rate		
	(year-over-year change, %)			(year-over-year change, %)			(annual average, %)		
	03A	04F	05F	03A	04F	05F	03A	04F	05F
British Columbia	2.2	3.1	3.5	2.5	2.0	1.8	8.1	7.5	7.3
Alberta	2.2	4.1	3.9	2.9	1.9	1.9	5.1	4.8	4.7
Saskatchewan	4.5	3.5	2.2	1.0	1.0	1.3	5.6	5.3	5.2
Manitoba	1.4	3.0	2.8	0.3	1.2	1.5	5.0	5.4	5.2
Ontario	1.3	2.7	3.1	2.6	1.9	1.4	7.0	6.9	6.8
Quebec	1.6	2.8	3.2	1.6	1.6	1.5	9.1	8.4	8.3
New Brunswick	2.6	2.9	3.0	-0.2	2.0	1.8	10.6	10.0	9.9
Nova Scotia	0.9	2.0	2.9	1.7	2.1	1.6	9.3	8.8	8.5
Prince Edward Island	1.9	1.8	2.5	2.6	0.9	1.2	11.2	11.6	11.2
Newfoundland & Labrador	6.5	1.6	1.0	1.8	1.9	1.3	16.7	15.7	15.2
Canada	2.0	2.9	3.1	2.2	1.8	1.5	7.6	7.3	7.1

	Retail Sales			Housing Starts			Consumer Price Index		
	(year-over-year change, %)			(annual average, 000s units)			(year-over-year change, %)		
	03A	04F	05F	03A	04F	05F	03A	04F	05F
British Columbia	2.6	6.5	5.3	26.2	30.5	25.7	2.2	2.1	2.0
Alberta	4.5	9.8	7.5	36.2	33.4	30.3	4.4	1.5	1.7
Saskatchewan	5.0	4.8	4.3	3.3	3.4	2.9	2.3	2.2	2.2
Manitoba	3.6	7.3	4.0	4.2	4.1	3.6	1.8	1.9	2.0
Ontario	3.4	2.7	4.6	85.2	80.5	74.6	2.7	1.9	1.8
Quebec	5.1	4.7	4.9	50.3	54.8	47.2	2.5	1.9	1.9
New Brunswick	0.1	1.4	4.3	4.5	3.5	3.3	3.4	1.5	2.1
Nova Scotia	1.5	3.4	3.9	5.1	4.7	4.3	3.4	1.8	2.2
Prince Edward Island	0.9	2.2	4.1	0.8	0.9	0.8	3.5	1.9	2.0
Newfoundland & Labrador	5.8	1.3	4.5	2.7	2.9	2.5	2.9	1.9	2.4
Canada	3.8	4.7	5.1	218.4	218.7	195.2	2.8	1.9	1.9

Historical Data Source: Statistics Canada; Forecast: CIBC WM Economics

* Provincial real GDP growth rates for 2003 based on initial growth estimate for Canada of 1.7% later revised to 2.0%
 Reprinted with permission-CIBC WM Economics.

How many people are working?



Data Source: Statistics Canada, Labour Force Survey

August 2004

Statistics Canada reported that there were 1,842,700 Albertans in the labour force in August—14,400 more than July. Of these 95.3% were working—the highest rate in the country. There were only 4.7% or 85,800 people without jobs. That is much better than elsewhere in Canada. Average Canadian unemployment is 7%.

Where is Alberta headed on an economic policy basis?

The Klein government has established three main objectives for economic development in Alberta. These are forming a long-term basis for sustained economic growth.

- 1. Fostering sustainable economic growth and diversification in Alberta**
 - Facilitation of economic growth and diversification by working with those in industry and not by being in industry
 - Involving participation of all Alberta's communities in economic development so that the whole province benefits
- 2. Working to ensure Alberta industry is competitive within a global context**
 - Increasing exports of Alberta value-added goods and services
 - Increasing the competitiveness of Alberta's industries
 - Encouraging growth and marketability of our tourism industry
- 3. Making Alberta an attractive place to visit, live, invest and do business**
 - Working to ensure that Alberta is recognized as one of the world's premier tourist destinations

- Working to assist potential investors and industry sectors in locating and investing in Alberta
- Working to ensure that people outside of Alberta know about the Alberta Advantage

EDUCATION

Education by the Numbers – Let's Check Some:

- 2,250 – The number of teachers that school boards can hire in the next three years based on new government funding.
- 1995 – The last year there were any cuts to education funding in Alberta.
- \$3.5 Billion – the amount of money provided by the Alberta Government to school boards this year.
- \$1,100 – the amount per capita each Albertan, including school children, provide to school boards through our government.
- 2,000 – the number of new post-secondary education spaces to be created by the government in the next four years.
- 30 – per cent cap on student's contribution to the institutional cost of providing post secondary education in Alberta.
- 1,300 – new spaces for apprenticeship training this year.
- 1 – Alberta's rank in Canada on per student and per capita spending on education.
- 1 – Alberta students' worldwide ranking in reading (and number three in the world in science and mathematics).

We must remember that our education system is not there for teachers, for administrators or trustees. It is not there for parents, or businesses or for our Government.

It is there for our children.

You have heard all the arguments about teachers' salaries and class sizes and enrolment limits. What is important is the result.

It's easy to criticize. There aren't enough teachers! There aren't enough schools! There aren't enough resources! But the results speak for themselves.

Our children outperform their peers on national and international tests. We have excellent teachers, a centralized high-quality curriculum, outstanding learning and teaching resources and an effective testing system.

Yet, education remains a high priority amongst Albertans for government investment. As it should be.

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Getting Started

Our party recognizes that the key to our future success lies in the way we prepare our children today. It is an underpinning of all our government does that we do it for the next generation and for their children.

Overall, the Klein Government's vision is that our students lead in learning and in doing so create the ability for us all to compete in the global marketplace and make Alberta the best place on earth to live.

The Learning Commission is an excellent example of the priority our government places on listening to people. More than 16,000 Albertans provided advice to the Commission in helping formulate its recommendations. Albertans said strongly that curriculum was vital and that it was important to help children make the transition from schools to post secondary institutions and on to careers.

In all the views of Albertans were consolidated into 95 recommendations, 84 of which have been accepted by our Government.

While actions are underway, it is important that things be done right.

Action is a key word when it comes to learning policy in Alberta. Even during the government's deficit reduction program in the early 1990's—the K-12 education system was the least impacted.

You may hear from some critics that cuts to learning spending have to be stopped. But in fact there have been no cuts at all to provincial education funding since 1995-96.

In fact comparable spending on basic education has increased by almost \$1.6 billion over that period of time. That's 68%. When it's adjusted for enrolment and inflation, it's still at 27% increase.

You might hear some say that the government does not adequately fund teachers' salaries. The charts at the right answer this question. Aside from support for resources in the school system, Albertans told the Learning Commission they wanted some action on class sizes.

Our government has taken action two years ahead of schedule. The Learning Commission indicated that new guidelines should be implemented within five years, but it has been clear from Albertans that improvements should be achieved sooner.

New funding this year will allow school boards to hire more than 1,350 teachers right now and more than 2,250 teachers in the next three years to meet Learning Commission guidelines.

Each class will obviously vary in size depending on school enrolments and a variety other factors, but the government has provided enough new funding, \$149 million, to meet average class size guidelines of 17 students for K to 3, 23 students for grades 4 – 6, 25 students from 7 to 9 and 27 students from grades 10 to 12.

With new funding for flexibility to meet local priorities and new money to meet the recommendations of the Learning Commission, the Alberta Government is now supporting school boards to the tune of \$3.5 billion dollars – that's more than \$1,100 for each Albertan, or an eight % increase compared to last year. And what do we get for our \$1,100 per year?

Well, it means that Alberta is ranked number one among the provinces in terms of education spending both per student and per capita.

But more importantly, on national and international tests, Alberta students consistently outperform their peers in other Canadian jurisdictions, and score the highest marks in reading and are in the top three in the world in science and mathematics.

From Classroom to Workplace

Our students also do better than others in Canada at making something out of that excellent performance in the primary school system.

Statistics Canada says more than 55 per cent of us have a post-secondary education – well above the national average. And enrolment in post secondary education is increasing in Alberta at twice the national average.

Of all provinces, Alberta has the highest influx of students from other provinces. Perhaps because of our government's economic policies, and no doubt because of the excellent reputations of our post secondary institutions and our tuition policies, nearly 6,000 more students enter the post secondary education system in Alberta each year than transfer out.

Our government has implemented a policy that places a 30% cap on students' contributions to the institutional cost of delivering post-secondary education. The policy also places restrictions on maximum annual tuition fee increases.

This means that access, affordability and excellence remain the hallmarks of our post-secondary education system in Alberta.

It's not just Universities and Colleges

Ask any of the businesses working to maintain the Alberta Advantage. The key to the future is skilled workers. Alberta recognizes this through a substantive apprenticeship and training system to fuel the needs of our ever-burgeoning industries.

Alberta has nine per cent of Canada's population, but trains 19 per cent of the country's apprentices. The province has approximately 30,000 registered apprentices, and since 1997 apprenticeship and industry training has issued more than 13,500 journeyman certificates.

This world-renowned industry-driven system uses a combination of on-the-job-training, work-experience and technical training to build the highly skilled workforce that is essential to Alberta's continuing prosperity.

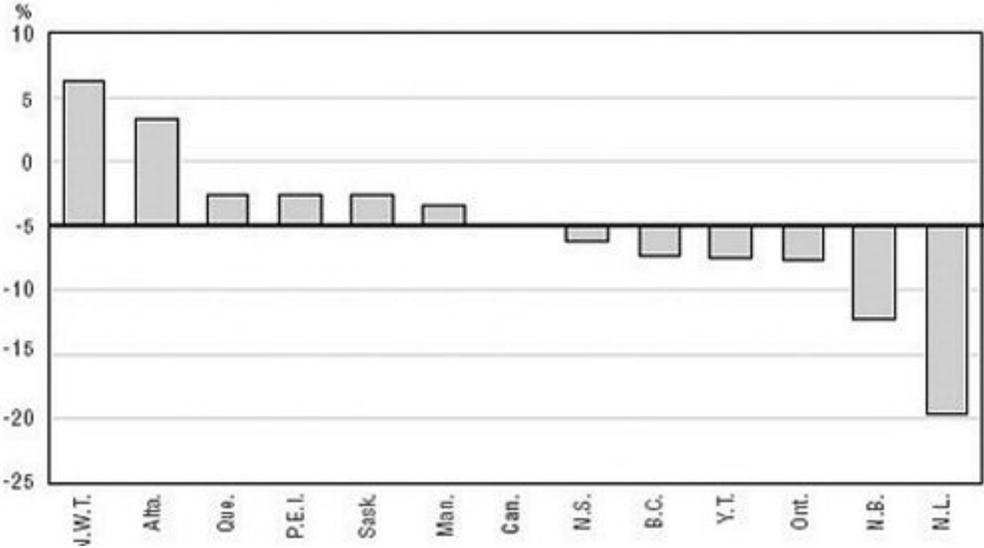
Alberta's standing as a world leader in this type of training is being enhanced this year with the addition of more than 1,300 new apprenticeship training spaces at post-secondary institutions. In addition, about 2,500 apprentices at eight post-secondary institutions will have a wider range of career choices.

How Does Alberta Measure Up?

Highlights of a Statistics Canada report include:

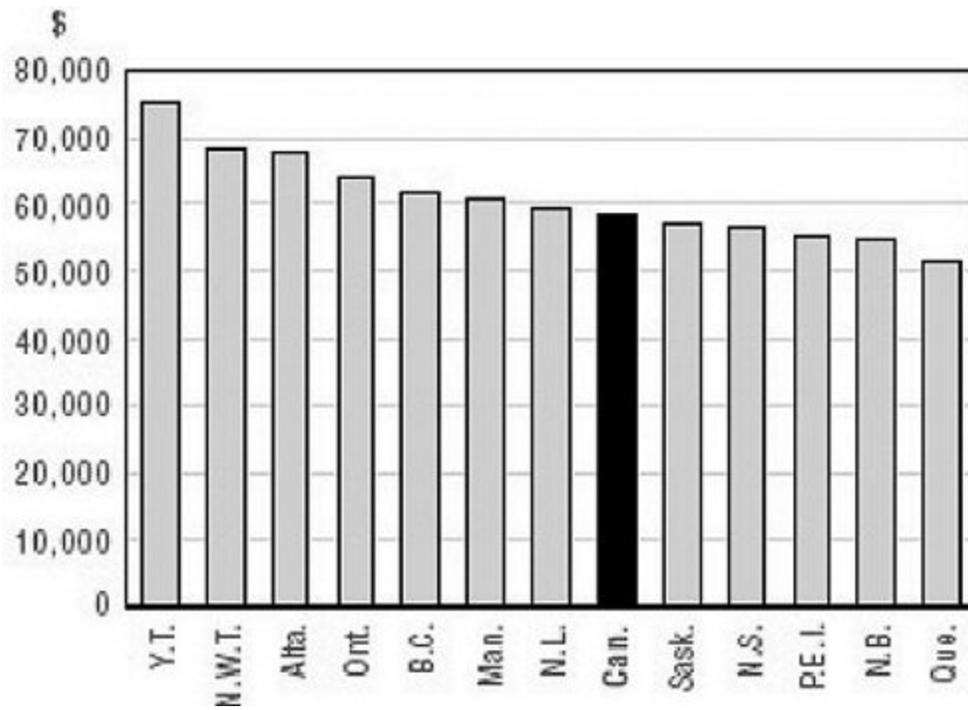
- Alberta spent \$8,775 per student in 2002-03, highest among all provinces and more than \$800 above the national average of \$7,946.
- Alberta increased per-student spending on basic education by 40% between 1996-97 and 2002-03, more than twice the national average of 19%.
- Alberta educators earned an average salary of \$67,836 in 2002-03, highest among all provinces. They also received salary increases of 11.7% *above inflation* between 1996-97 and 2002-03, higher than all provinces and significantly higher than the national average of 2%.
- Alberta saw the highest increase in the number of educators (8%) between 1996-97 and 2002-03 and was one of only two provinces that saw a decrease in student-educator ratio (5%) while also experiencing an increase in enrollment (2%) at the same time.

**Percent change in the number of educators
(in full-time equivalent) between 1996-1997 and 2002-2003,
Canada, provinces and territories 2002-2003**



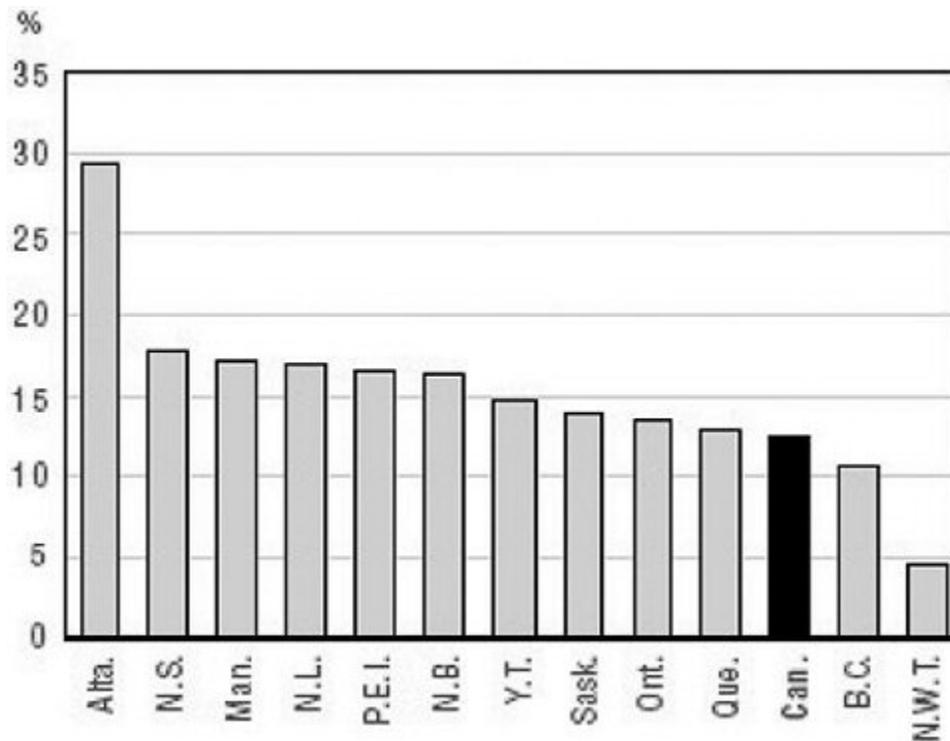
**Note: Canada and Ontario: 1996-1997 to 2001-2002;
Northwest Territories: 1999-2002 to 2002-2003.**

Average remuneration per educator 2002-2003



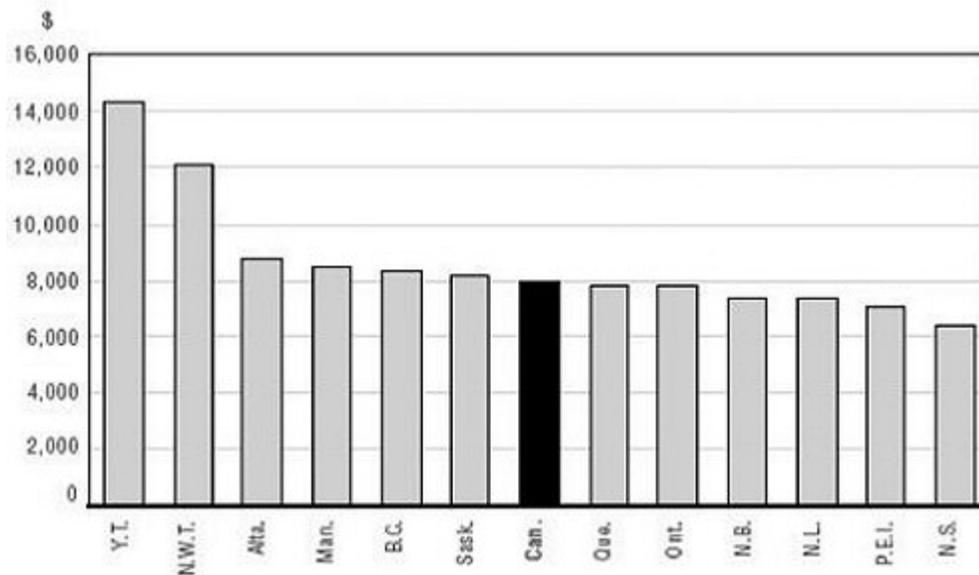
Note: Canada and Ontario: 2001-2002.

Percentage of remuneration change between 1996-1997 and 2002-2003



Note: Canada and Ontario: 1996-1997 to 2001-2003;
 New Brunswick: 1997-1998 to 2002-2003;
 Northwest Territories 1999-2000 to 2002-2003.

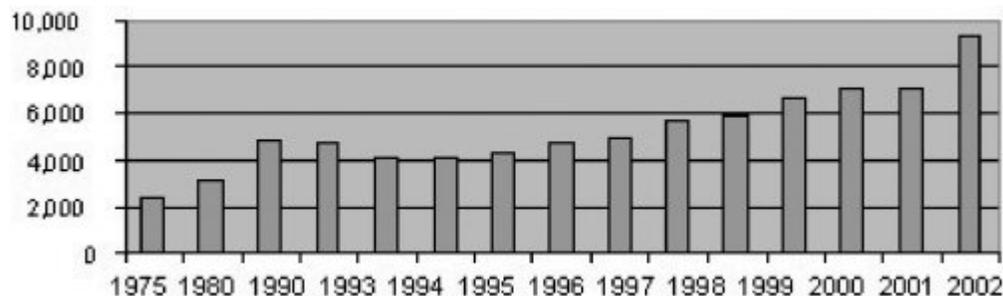
Total expenditures per student, Canada, provinces and territories, 2003-2003.



HEALTHY Albertans

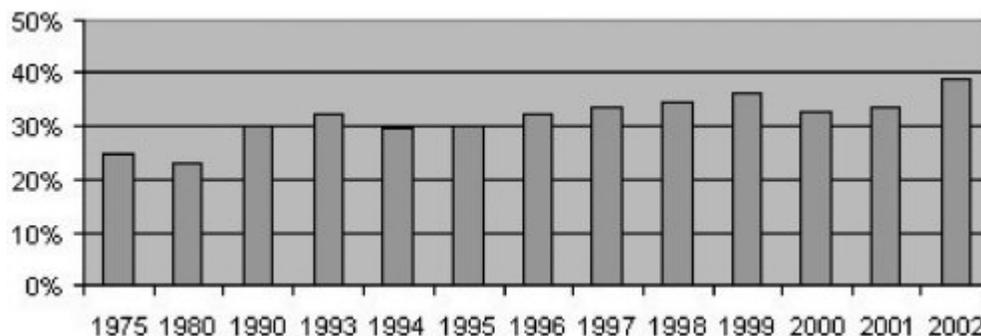
Alberta's health care system is the envy of the nation. In Alberta we are fortunate to have one of the best health care systems in the world. The big question—is it sustainable? Currently health care accounts for 40% of all government spending in Alberta and it is increasing at an incredible rate. The following two charts illustrate the situation well.

Alberta Health Spending in \$ Millions



Percentage of Alberta Budget going to health care

(Adjusted for additional \$700 million announced July 15, 2004 bringing total 2004 health spending to \$9.396 billion—it does not include any new federal funds)



Better Access goal of Health Renewal

In July a major allocation of \$700 million of provincial funds were provided for three purposes:

- \$200 million to eliminate health authorities deficits
- \$350 million for capital funding of health facilities
- \$150 million for equipment.

Results will be:

- Changed procedures for orthopedic screening will free up surgeons to provide 1,200 additional joint replacements this year (5,328 done last year)
- New access standards for cardiac surgery to reduce wait times to 14 days from nine weeks
- Reduced wait times for elective MRI scans (on weekends in Edmonton)
- Increased health promotion to manage preventable diseases

- Local primary care initiatives will increase 24-hour access to routine and non-emergency health care
- Calgary will use \$150 million to fast-track new beds at Rockyview and Peter Lougheed hospitals over the next 18-24 months and planning of the South Calgary Hospital will be accelerated
- Capital Health will use \$150 million to speed up addition of 350 acute care beds over the next year
- \$50 million is set aside to fund rural Alberta projects including options to help seniors stay in their own communities
- Nursing home regulations are being changed to provide for individual care plans
- New province wide management of obstetrical risk
- Albertans will receive a personal statement of health care costs detailing services and costs individuals received

\$300 million more from the Federal Government

The additional funds from the federal government are welcome—but they must be put in perspective. Alberta's share will be approximately \$300 million, which equates to slightly over one-half of the annual inflationary increases in health spending or an additional 3% to Alberta's health care spending. Gary Mar, Minister of Health has stated that all the federal funds will go to reducing waiting lists—particularly for hip, joint and cardiac procedures.

What is next?

Alberta is committed to the public health care system. Albertans do not and will not have to pay out of their pockets for medically necessary health care. Looking at options within the system and finding better ways to do things is necessary if the health care system is to remain sustainable. In 2005 a major health symposium will be held in Alberta to discuss ways that health care can be delivered more efficiently and effectively both on a health basis and a cost basis. Premier Klein has made it clear that any significant changes would involve discussion and input from Albertans.

A Senior's Story

"I didn't mind when Alberta began to charge seniors a (health care) premium to help pay down the debt, but now I am very glad to have the premiums going back to 1994 free status."

This is the sentiment of Betty Sparks, a typical Alberta senior living in Medicine Hat and commenting on the Klein Government's recent announcement that health care insurance premiums will be cancelled for all seniors effective October 1.

Betty was born and raised in Alberta – paid her taxes from both farm and business income and when the time was right, retired to British Columbia.

But it didn't take long for the cost of living in that province to get her to come back home.

Alberta attracts more seniors than any other province. Since 1984, many more have moved here than have moved away.

And like many others of Alberta's 330,000 seniors, Betty found she needed the comprehensive services provided by the Klein Government, both from seniors programs and the health care system.

"In 1998 I developed emphysema and have had considerable opportunity to use the health care system in Medicine Hat. I have been hospitalized twice and each time received instant and excellent care," she explains. "On one occasion I fell and broke my arm and had to call an ambulance. I was admitted, X-rayed, had a cast applied and was calling my son to pick me up within an hour and a half. I don't know what people are taking about when they complain of long waits. I have never experienced any here."

Betty's income has fallen in the last number of years, although on average seniors incomes have remained relatively stable in the last decade, rising from 2000 to 2001, the last year when records are available.

Like Betty, almost all Alberta seniors receive some income from government payments. Alberta has the highest income thresholds and most generous benefit payments of any province in Canada.

The Alberta Seniors Benefit, a consolidated payment that encompasses a variety of programs, is an income-tested program that provides monthly cash benefits and health care premium exemptions to low income seniors. Approximately 100,000 seniors receive help because of the Alberta Seniors Benefit. As of next April, our government will spend almost \$250 million per year supporting seniors in this manner.

And this does not include the other benefits Alberta seniors receive. Overall the government provides seniors with a range of benefits totaling \$1.6 billion each year.

Betty and all Albertans supported our Party in its efforts to pay off the debt, but now that Alberta is debt free, we have the ability to support seniors the way they supported us.

Starting October of this year, no senior citizen in Alberta will pay health care insurance premiums, regardless of their income. For Betty and her generation, this is a significant improvement in their lives.

Changes to the Alberta Seniors Benefit program itself will mean 17,000 more seniors will be eligible and all seniors have already received a monthly increase in their benefit, regardless of their living situation. New optical and dental coverage will come into effect next April and our government is now working out the details of a property tax assistance program that will provide some stability to seniors' tax bills by subsidizing the amount they pay for education property taxes.

For those seniors with special circumstances, a Special Needs Assistance program is available for one-time extraordinary expenses including minor home repairs.

The Klein Government ensures that all seniors are eligible to receive premium-free Blue Cross coverage, with limits on how much they pay per prescription.

"My very expensive drugs are under the regular Blue Cross regime," Betty Sparks says. "This costs me no more than \$25 even though the drugs involved might total \$400 to \$600."

Overall the Klein Government spends about \$345 million dollars per year on prescription drug coverage for seniors, another \$15 million for ambulance coverage and \$4.5 million on other benefits like prostheses, home nursing and clinical psychology.

But Betty says there are benefits to the whole system through Blue Cross support.

"My doctor tells me that all this keeps me out of the hospital. She says she can take care of me at home for about \$100 a day, while the hospital will cost about \$800 to \$1500 per day, and I am much happier at home."

The Alberta Aids to Daily Living (AADL) program provides Albertans, including seniors, with help maintaining their independence by providing benefits like medical equipment that best meets specific needs. Last year the government provided \$73 million in support for the Alberta Aids to Daily Living (AADL) program and \$42 million to an estimated 50,000 seniors like Betty.

"Because of my severe lung condition, I have to have continuous oxygen in my home and portable oxygen when I go out, all supplied by AADL," she explains. "All of this for a maximum of \$500 per year which I get billed for in easy payments."

There are no charges to seniors for professional and personal care services under the Klein Government's Home Care Program. The estimated seniors portion of home care expenditures last year was approximately \$205 million.

"Home Care provided me with a walker and grab bars and bathroom seats to help me be more comfortable and safe," Betty says. She adds it is helpful to know that home care is available when she needs it. "I am currently living in a seniors' rental residence and I know others have had their Home Care services follow them right in here. I haven't needed them yet, but I know it's there. All I have to do is call."

Government support is available for low-to-moderate income seniors who live in eligible buildings. Each year \$17 million is provided to agencies to ensure affordable housing for seniors. Additionally the government ensures that rent, under the Seniors Self Contained Apartment Program is based on a maximum of 30% of a household's income.

Government's support for such supportive housing is growing as our population ages. Together with private, non-profit organizations and communities, more than 1,663 new housing units are coming on stream and hundreds more are in the planning and approval stages.

Long Term Care Assistance is available to those who live in long term care facilities. A cash benefit is provided to help them with their room, board and housekeeping costs. The additional cash benefit ensures that all Alberta seniors living in long-term care are left with \$265 in disposable income each month once their accommodation bills are paid.

Of the global Alberta Seniors Benefit budget, about \$20 million dollars goes toward supporting 8,000 seniors in this manner. In addition, the government pays around \$95 per resident per day for health care services in long term care facilities.

The government's vision into the next 20 years is to increasingly promote health and prevention amongst our aging population, optimizing the abilities of older people to keep active mentally and physically, to manage chronic conditions that can be debilitating and perhaps most importantly to provide opportunities for seniors to engage in life – to have meaningful relationships with others and be involved in activities that are satisfying and purposeful to them.

And most significantly, all of our involvement must ensure we honour our seniors by engaging them in life, by using their experience, wisdom and skills.

RURAL Development

People living in rural Alberta know of the lifestyle challenges of rural life. More and more Albertans have gravitated to the Edmonton-Calgary corridor. Under the direction of Co-chairs Luke Ouellette, MLA, Innisfail-Sylvan Lake and Doug Griffiths, MLA, Wainwright a rural development strategy was developed.

The strategy deals with issues other than those of agricultural production difficulties and input costs. It talks about how to respond to issues such as shortages of essential services, employment opportunities, leadership capacity, loss of young people and a gradually changing rural voice. It deals with the changing nature of the province and what has to be done to ensure the rural community remains a vital component of life in Alberta.

Recommendations in the report concentrate on presenting a framework for rural development based upon four pillars: Health, Learning and skill development, Economic growth and Community infrastructure. Key to the recommendations is an understanding of the need to deal with the four pillars together rather than in isolation of each other.

Sustainability of our communities is also a key component. The report recommends responding to quality of life factors such as recreational infrastructure because of how quality of life issues impact economic development.

The recommendations have been presented to the Minister of Agriculture, Food and Rural Development and an implementation plan is currently being developed. These initiatives will be reflected in upcoming Agriculture, Food & Rural Development business plans. The core objectives for the department are:

1. Facilitate Sustainable Industry Growth

Goal 1 - Sustainable growth of the agriculture and food industry

Goal 2 - Continued excellence in food safety

2. Enhance Rural Sustainability

Goal 3 - Improved environmental stewardship

Goal 4 - Strengthened rural communities

3. Strengthen Business Risk Management

Goal 5 - Effective business risk management programming

BSE Surveillance Commitment Underway

Alberta will be on the forefront of animal disease detection and research thanks to a new, cutting-edge, \$14-million Level 3 Biocontainment Lab to open in 2005. The new lab will greatly increase the province's animal disease testing capability and ensure Alberta is further prepared to manage animal health challenges. "This state-of-the-art building will feature all the latest technology and systems," said Shirley McClellan, Deputy Premier and Minister of Agriculture, Food and Rural Development. "We are continually

faced with new and emerging animal disease threats, so it is important that we have a world-class facility that will serve us far into the future.”

The lab will be used to test for livestock diseases such as bovine spongiform encephalopathy, chronic wasting disease and avian influenza. The new lab will significantly increase Alberta’s testing capacity for these types of diseases, greatly improving the province’s ability to quickly respond and contribute to Canada’s management of foreign animal diseases.

Alberta to become home to world-class school of veterinary medicine in 2006

The Alberta government is establishing a new leading-edge veterinary medical school that will put the province at the forefront of research into animal diseases and food supply safety.

This unique veterinary school will provide research into the detection, containment and eradication of diseases that can spread from species to species and affect humans, and prepare veterinary medical practitioners and researchers focused on food supply safety. The school will also specialize in producing large-animal veterinarians to address shortages of these types of specialists in the province.

This initiative will complement the courses and activities of other educational institutions, particularly the Western College of Veterinary Medicine in Saskatoon. In fact, the programs will be developed by a steering committee comprised of representatives from the University of Alberta, the University of Calgary, the Western College of Veterinary Medicine, Alberta colleges with animal health programs, the Alberta Veterinary Medical Association, beef producers, cattlemen associations, and other stakeholders.

The goal is to provide training that is relevant to the needs of the agricultural industry and the health interests of consumers. The program housed at the University of Calgary will cost between \$8.4 and \$12.4 million annually.

BSE

“As Canada’s largest beef-producing province, it’s imperative for us that decisions to re-open borders are based on science,” said Premier Klein. This continues to be the sentiment of the government and it applies to all markets not just the United States.



Premier Klein, US Vice-President Dick Cheney, and Murray Smith following their discussion about the need to open the US border to Canadian live cattle.

There are six major policy directions.

1. Developing increased domestic slaughter capacity for beef products that can move over the border and to other markets
2. New product development
3. Set-aside programs to help farmers carry both finished cattle and calves on their farms for longer periods
4. BSE surveillance
5. Canadian Agricultural Income Stabilization (CAIS)
6. Research (testing procedures etc.)

Full information is available from Alberta Agriculture 780-422-9167 or 310-0000 toll-free access outside Edmonton.

CLEAN Air

Clean Air, Clean Water, Clean Earth

Alberta's Environment and its Government's Actions are the envy of Canada

They said it couldn't be done.

Protect our environment and still enhance economic development?

But in Alberta, if someone says we can't do something – we just have to prove we can.

The Ralph Klein government's vision and record on environmental protection is a case in point.

Protecting Our Air

Let's take climate change. Scientists believe that production of carbon dioxide, a significant by-product of Alberta's key energy industry, can lead to changes in the world's climate. The federal solution? Impose what's called the Kyoto Protocol – implement new rules and regulations to tell industry what they can and cannot do. The Alberta solution? Work with industry to ensure we do what needs to be done and still preserve our economy.

Alberta industries, particularly players in the Alberta oil sands, are taking a proactive role in managing their pollution. And new industries are being developed. Already Alberta is Canada's leading producer of wind energy. The Klein Government is taking a similarly proactive role – reducing emissions from its own operations by 22 % since 1990 and starting in 2005 will purchase 90% of its power from "green" sources like wind energy. The City of Calgary has been recognized by the Canadian Federation of Municipalities as one of the best in the country at lowering greenhouse gas emissions. Congratulations Calgary!

In controlling air pollution, our government is a leader in setting environmental goals and then working with people, communities and industry to determine how best to meet those goals. We do not take the "rules-based" approach of other jurisdictions, and our policies encourage industry to develop new and better pollution controls while ensuring our economy is still vibrant. Make no mistake, though. Those who don't comply with our environmental legislation are held responsible for the effects of their actions, with individual fines up to \$100,000 and corporate fines up to \$1 million.

Our government will continue to oppose "made in Ottawa" rules that run the risk of creating another economic disaster for our province like the National Energy Program did 25 years ago. Alberta will continue to show leadership on how governments, people and industry can work together cooperatively.

Special Places, Special Partnerships

On another front, Albertans are proud of our natural environment and more and more of our natural environment continues to be protected for our children and our children's children. Our party listened to Albertans. In addition to having huge reserves set aside in our parks system, we began 10 years ago to protect special places for future generations, while still allowing important economic drivers such as grazing and energy exploration to continue. Since the inception of the Special Places program, more than 81 new areas have been protected and another 13 have been expanded. In total, more than 12.5% of the total land base of the province is now protected.

Because environmental protection is so complicated, the government has a vision of getting everyone involved in managing our land as a whole. It's called integrated resource management, but it really means planning – planning for appropriate regulations for industries, planning for protection of animals and plants, and planning for all potential future uses. Although the program has just begun, progress is already being made. It demonstrates that through cooperation rather than confrontation a great deal can be accomplished.

Water is Life

For years Alberta has had a problem – too much water in the North, too little in the South, too many variations in water supplies from year to year, — and has had the challenge of how to protect the quality of our water.

The pressures are many — population growth, agricultural and industrial development, droughts, floods and potential health risks to Albertans and to eco-systems.

Now we are embarking on a new era. Working with everyone from electricity generators, to ranchers, to irrigation farmers, municipalities and biologists, the Klein Government is building a water strategy that will carry us into the future.

Sustainability is the goal. Ensure our water is always there when we need it and that it is of excellent quality so that everyone who needs it can use it.

To do this the Klein Government has embarked on a multi-year program to build a water strategy for Alberta. It began with an extensive public consultation process three years ago consisting of idea generation, public outreach and consultation and a Minister's Forum on Water held in Red Deer in June of 2002.

From this work a clear set of principles emerged. All Albertans need to know that our water supplies are limited. We need to manage our resources with the capacity of individual watersheds – inter-basin transfer from the north to the south is not acceptable public policy. Everyone – citizens, communities, industries and government all need to share responsibility. We need to know more about our water supplies. We need to be a leader in drinking water quality and safety. We must preserve the “first-in-time, first-in-right” principles for granting water allocations. And finally we must recognize the environmental consequences of economic development by preserving aquatic ecosystems and both groundwater and surface water quality, while continuing to pursue economic and social development.

There are some specific goals attached to these principles.

Over the next three years a comprehensive strategy will be fully developed and efforts to protect ecosystems will be underway. A public education and awareness program is also being developed.

In the next 10 years we need to build real time access to information about drinking water quality and develop specific plans for each of our watersheds that include tools and techniques to ensure sustainable economic development.

In the longer term, the Klein Government's goal is to improve efficiency and productivity of water in Alberta by 30%. To do this, communities, scientists, industries and all Albertans will need to have full knowledge and leading edge tools available to them.

But we are not waiting until the strategy is fully developed to act. Already, we are working to protect our waterways and are studying new ways to manage and preserve our water supplies.

Our goal is to have everyone play a role. Water is life and water is livelihood. As with everything our Party does around environmental protection, we prove every day that these two goals are compatible.

Waste Not, Want Not

All over the province we are running out of places to dump our garbage. In other places the solution is to ship the garbage somewhere else.

The Alberta Solution? Turn garbage into usable products and into a way to grow our economy!

Old tires, pop bottles, milk cartons, old newspapers and other paper – all of these things are now kept out of our landfills and because of our Government's actions, are spawning new industries and new partnerships with profit and non-profit organizations.

Did you know that this year, Albertans will discard 190 thousand televisions and 90,000 desktop computers? This year, the Klein Government will start a new program to ensure these and other electronic garbage like old cell phones don't end up at the dump where dangerous components like mercury, cadmium and PVC plastics can potentially harm the environment. A non-profit organization will manage the system.

Given our Party's experience in helping the private sector turn garbage into gold – soon there will be new jobs, new tax money generated, and our existing landfills will last even longer.

None of this can happen without the support of Albertans. Through their municipal governments, Albertans have shown themselves to be strong recyclers.

It is the partnership among people, industries and governments that makes recycling work in this province.

The Future – Can Do!

Academics tell us that if we want to predict the future, just look at the past and where those trends take us. In Alberta we have been protecting our environment since pioneer days – our hard-working ancestors knew they could not build a future without sustaining their land. Over the last 30 years new parks have proliferated, our irrigation infrastructure has expanded and while pollution of all types has been limited, industry and our economy have flourished. What does that tell you about the future? With the leadership of our Government and the support of Albertans, our policies of working with industries and stakeholders to make sure our environment is there for our kids and our economy is strong enough to support our critical social programs like health and education.

It can be done. In Alberta, if someone says we can't do something, we just prove we can.

INFRASTRUCTURE

The upside of growth is that we enjoy a quality lifestyle with high employment, business expansion, and we have people moving to Alberta everyday. Unfortunately people do not bring hospitals, schools and roads with them when they move here.

Some quick capital facts – since 2000

- 85 health projects -- \$2.25 billion
- 800 school projects -- \$1.8 billion
- 60 post secondary projects -- \$900 million

P3s – Public Private Partnerships

When it makes sense, public-private partnerships work well to fund capital projects. Partnerships may involve capital investment, management or joint-use. Partnerships enable projects to proceed more quickly—without them projects would have to wait until funds were available. They also permit the paying of capital costs over a longer period of time.

Successful P3s include:

- Long-term care facilities
- Supportive housing units for seniors
- Emergency, transitional and long-term housing for homeless
- Joint-use educational facilities
- Brazeau Bridge
- Hwy 63 into Suncor site

Transportation:

- Since 2001 investment of \$2.5 billion
- 83% of north-south trade corridor is twinned
- Anthony Henday on target for completion by 2006
- Deerfoot Trail extension completed
- Little Bow water management project competed
- St. Mary Dam Spillway completed
- Pine Coulee Dam completed
- \$1 billion in waster/wastewater grants to municipalities

Municipalities

Municipal infrastructure is a significant issue that needs to be addressed. The Alberta Government is looking at ways to provide \$3 billion to help resolve municipal transportation infrastructure challenges. Responding to needs of communities for upgrading of recreational and cultural facilities led to \$15.2 million being provided to 24 communities this year under the ICAP program. To date, 642 projects worth \$523 million have been announced in Alberta under this joint federal-provincial-municipal-private sector initiative.

Congratulations to the City of Edmonton citizens who will be celebrating the 100th anniversary of the City in October. The celebration should be a precursor to the events of 2005 when the Province of Alberta celebrates its centennial. Queen Elizabeth II will be visiting in May. To recognize the centennial \$30 million in funding will be provided to municipalities and community-owned legacy projects over the next two