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Alberta could soar or slide depending on how government responds to coming challenges

EDMONTON - Over the next 20 years Alberta could soar with prosperity or slide into fiscal decline, depending on how government responds to demographic and economic challenges including the current budget surplus, according to the new Vision 2020 project launched today by the Alberta Chambers of Commerce (ACC) and the Certified General Accountants of Alberta (CGA-Alberta).

"Essentially we have created a fiscal projection model for Alberta to see how broader trends, such as an aging population, may impact long-term government spending decisions," said Mark Lencucha, President of the Alberta Chambers of Commerce.

Population aging and rural to urban migration are the two major trends highlighted in the report. With an elderly dependency ratio nearly doubling by 2026, and population growth in the Edmonton/Calgary corridor (70.9 per cent of the total increases through 2026), the Government of Alberta must start planning now.

"Alberta is relatively well positioned to weather the changes ahead. But health care costs, volatile natural resource revenues, and the recurring political question of whether to spend or save fiscal surpluses are the three pivots on which the province's future turns," said John Carpenter, Executive Director & CEO of the Certified General Accountants of Alberta. The first phase of Alberta Vision 2020 takes these risk factors into account under high, medium and low population scenarios.

"The report is particularly timely. The current run of surpluses is perhaps a rare and fleeting opportunity to address the challenges outlined in the report," added Carpenter.

The report makes key recommendations to the Government of Alberta:

- Health care reform is necessary, as large increases in health care spending have not resolved problems.
- Although resource revenues are volatile, some measures can be taken to mitigate the effect of drops in resource revenues. Such measures should include capping overall spending at a growth rate equal to the rate of population and inflation combined.
- Save all or a significant portion of surpluses in coming years to account for increased health care costs and to offset revenue decreases.
- Make public the long-term projections of fiscal balance using a range of reasonable scenarios.

All 83 Members of the Legislative Assembly (MLAs) have been provided with a copy of the report. The ACC and CGA will also be meeting with various government representatives in the coming weeks.



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A [Backgrounder](#), [Executive Summary](#), [Overview of Projection Results](#), [PowerPoint presentation](#) including key graphs and the [full report](#) are available at www.albertavision2020.ca.