

Historical Overview Government of Alberta Revenues and Expenditures

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Outline

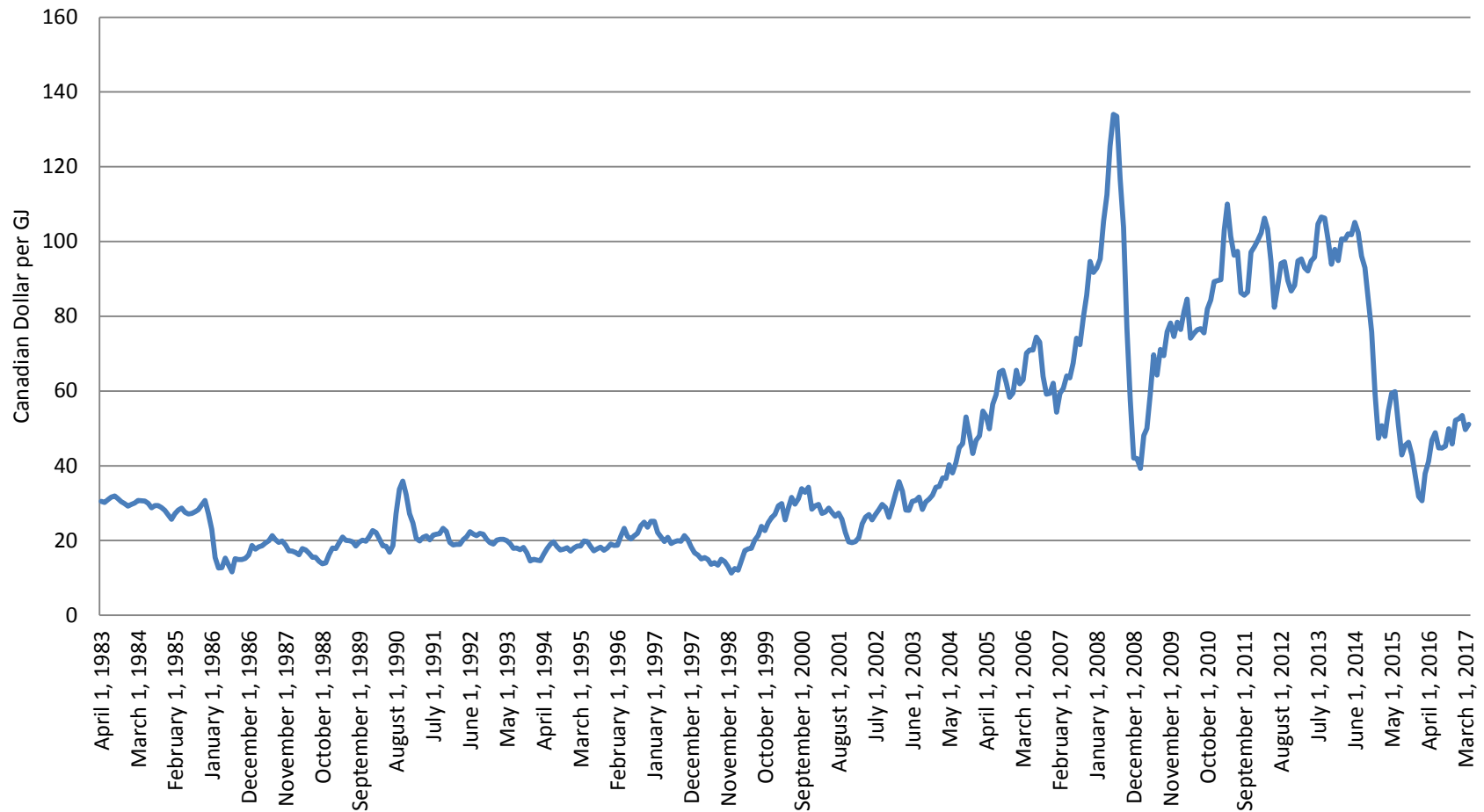
- Energy Prices
- Revenues
- Expenses
- Deficits and Debt
- Addressing the Revenue Problem

Oil Prices, 1983 -2017 (US Dollars per Barrel)



Source: Government of Alberta Economic Dashboard

Natural Gas Price, 1988 – 2017 (Canadian Dollar per GJ)



Source: Government of Alberta Economic Dashboard

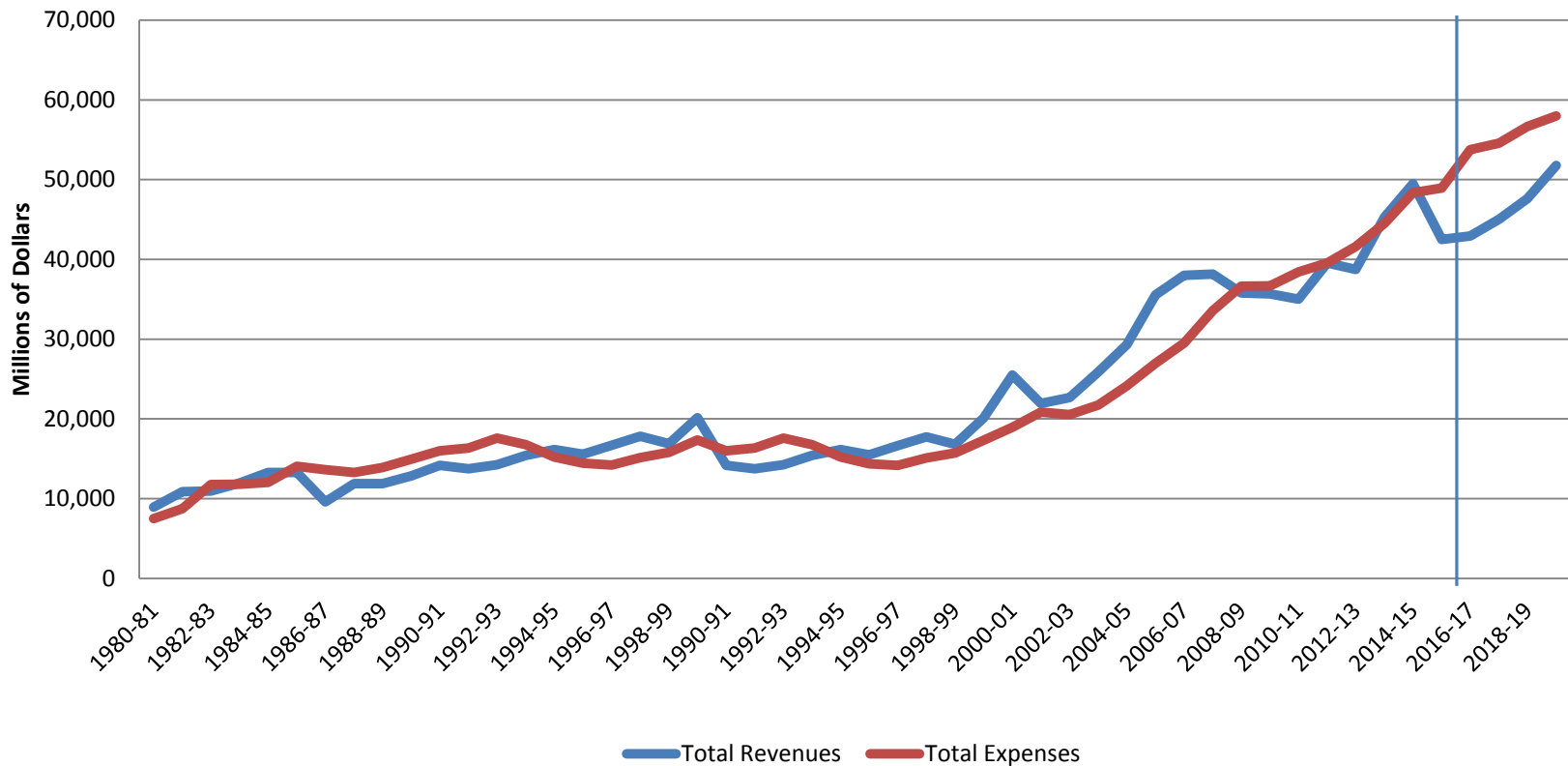
Average Annual Royalty Before and After 2009 New Royalty Framework

	Royalty % Rate Before	Royalty % Rate After
Conventional Oil	15%	20%
Gas	19%	8%
Oil Sands	3%	10%
Total	14%	11%

Source: Parkland Institute, 2015

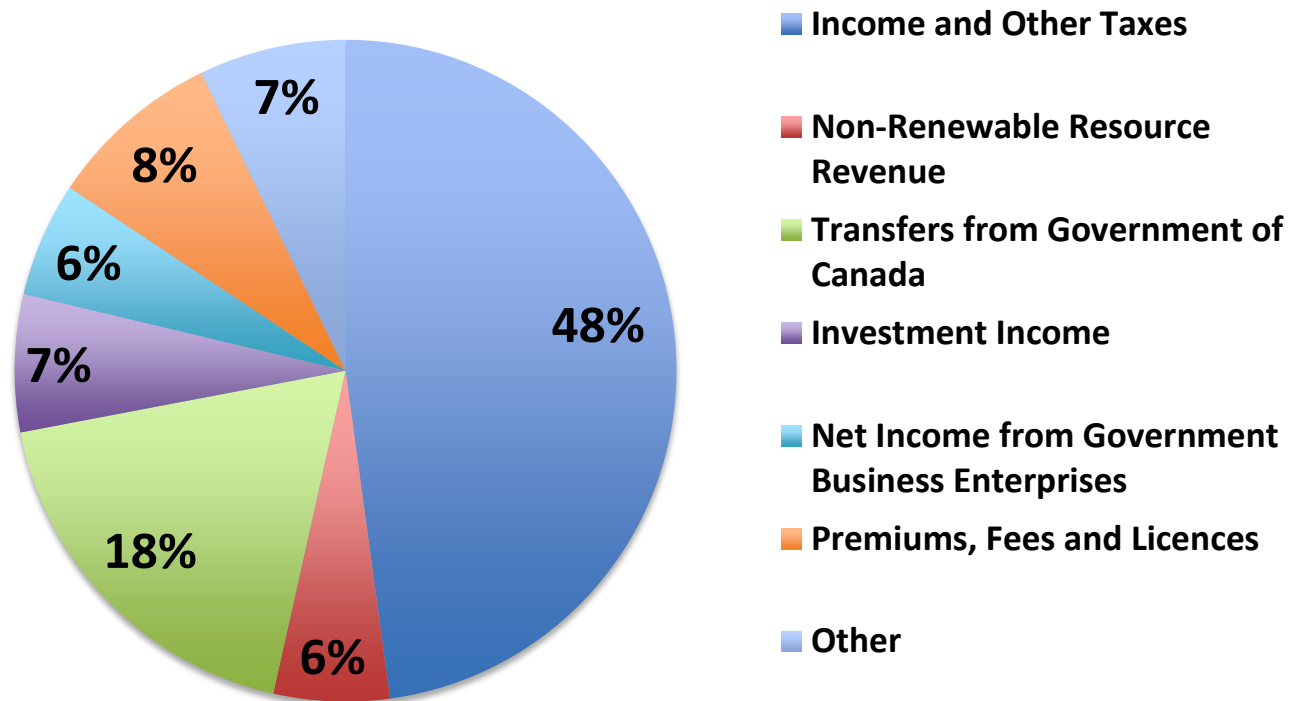
- Alberta has benefited greatly from natural resource extraction
 - higher standards of living
 - higher level of wages
 - has lead all provinces in GDP per capita for last 30 years.
- However, structural deficits in Alberta finances is a major concern as the province continues to rely on oil royalties.
- While the province waits for oil prices to rebound, the fiscal situation in Alberta will only get worse.

Government of Alberta Revenues and Expenditures 1980 - 2017



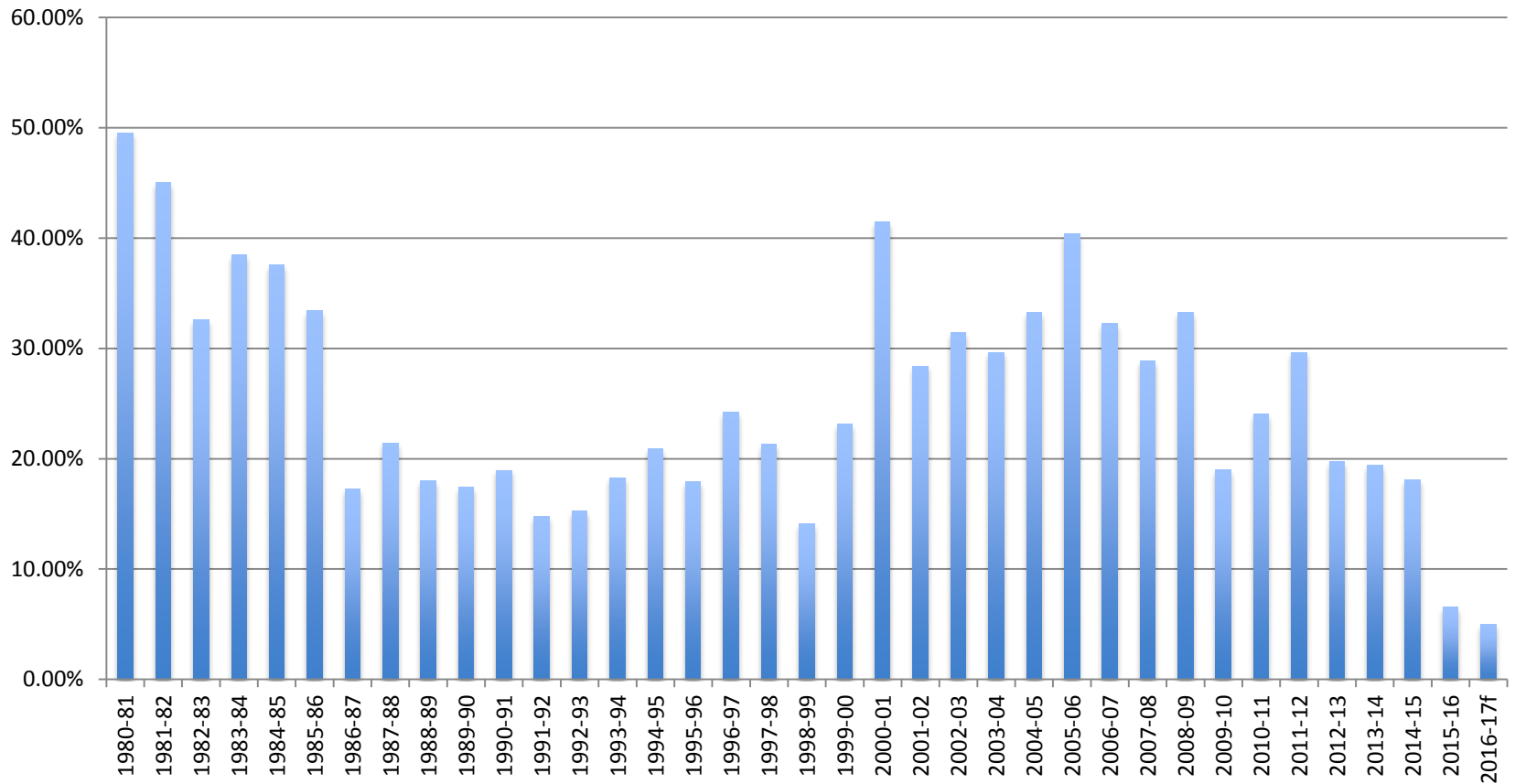
Source: Federal Fiscal Tables, 2016

Alberta's Revenue Breakdown 2016-17 Forecast



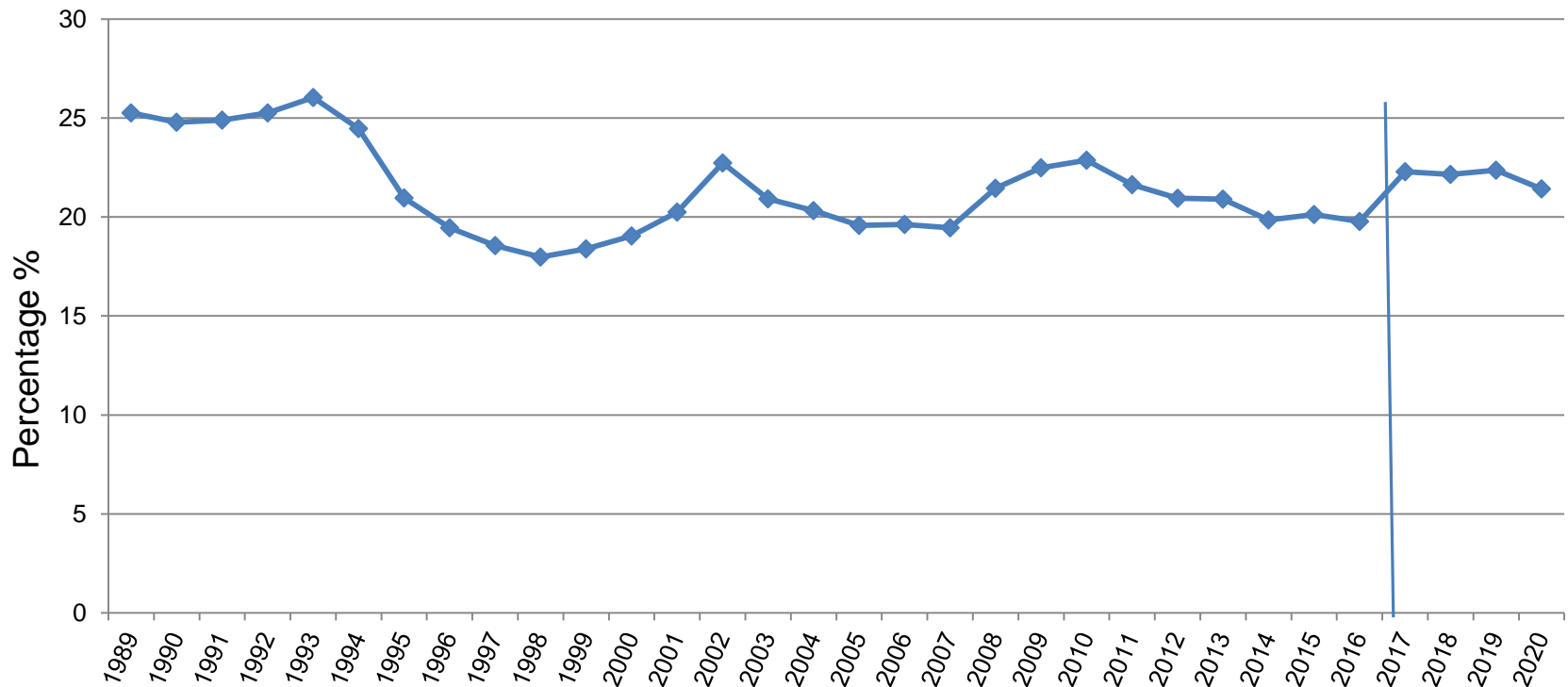
Source: Government of Alberta Budget 2017

Alberta Non Renewable Resource Revenue as % of Total Government Revenue



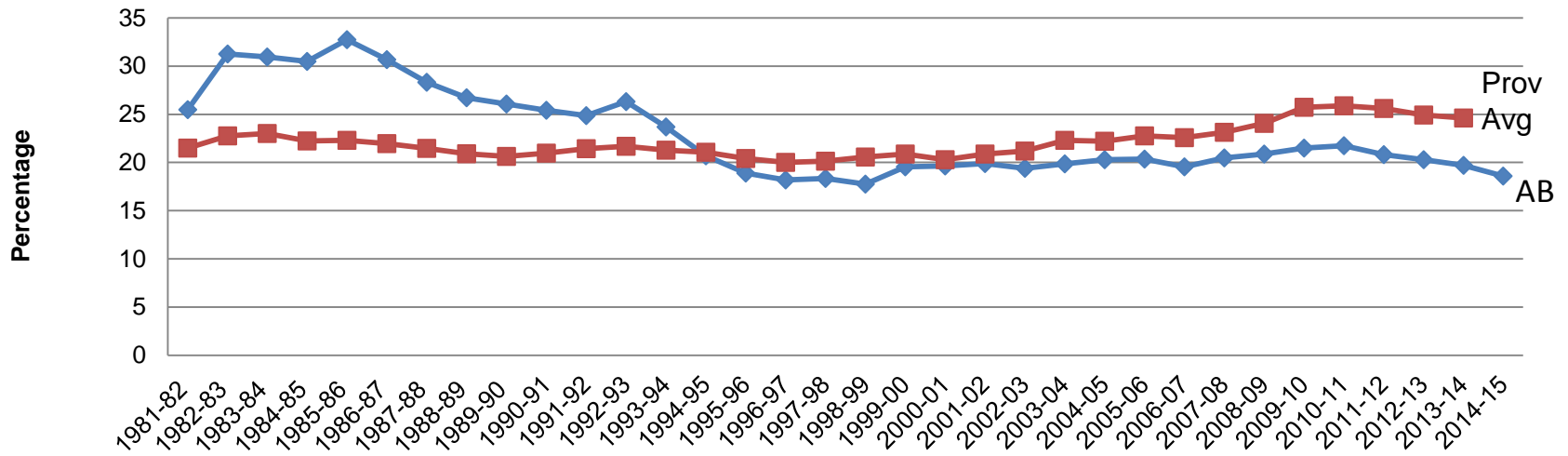
Source: Government of Alberta

Alberta Program Expenditure as a Percentage of Household Income 1988 to 2020



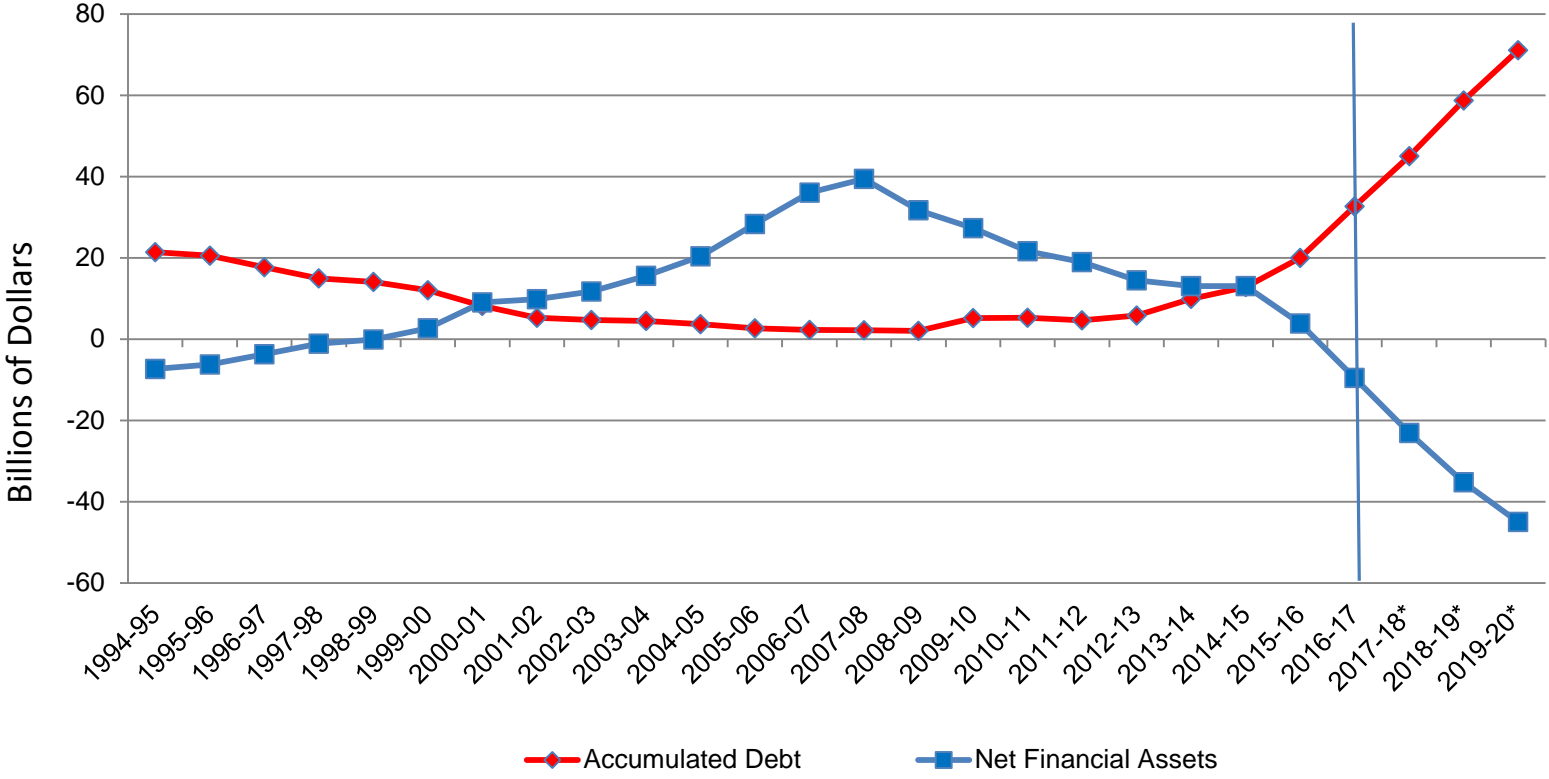
Source: Melville McMillan, 2017

Provincial Program Expenditure as a Percentage of Household Income: Alberta and Provincial Average, 1981-82 to 2013-14



Source: Melville McMillan, 2015

Alberta's Accumulated Debt and Net Financial Assets 1994 - 2020*



Source: Melville McMillan, 2017

Addressing the Revenue Problem

- What policy options can address meeting the saving and investment goals of the Alberta Heritage Fund?
- What are the appropriate policy responses to address the provincial revenue problems?
- How can the government stabilize revenues while ensuring programs and services can meet public demand?