

2011-2012 Second Quarter FISCAL UPDATE

NOTE: Increases and decreases reflect changes between Budget 2011 and second quarter forecasts

Revenue

\$36.8 billion

↑ \$1.2 billion

- largely due to increased land lease sales and corporate income tax revenue

Expense

\$39.9 billion

↑ \$860 million

- spending on disasters: Slave Lake wildfire, other forest fires, flooding, mountain pine beetle infestations and agricultural support
- fulfilling Premier Redford's education funding commitment

Deficit

\$3.1 billion

↓ \$341 million

Sustainability Fund

\$8.1 billion

- Alberta's short-term savings account, built up with money from past surpluses
- covers the deficit

Heritage Fund

\$14.7 billion

- fair value at September 30, 2011
- the fund's investment income is forecast at \$472 million for the fiscal year

Alberta's economy is expected to grow by 3.5% in 2011-12.

Oil	\$89.50 / barrel	↑ 10 cents
Natural gas	\$3.30 / gigajoule	↓ 15 cents
Exchange rate	\$1.01 US	↑ 2.12 cents

BY THE NUMBERS

Alberta's revenue sources are volatile

every \$1 drop in the price of **oil** over 12 months = \$141 million less revenue

every 10-cent drop in the price of **natural gas** over 12 months = \$51 million less revenue

every 1-cent rise in the **exchange rate** over 12 months = \$154 million less revenue

We are investing in priority areas

about 65% of Alberta's budget is spent on **health and education**

\$1.7 million per hour is spent on our health care system

\$33 million is invested into k-12 students every school day

Albertans pay the least taxes in the country

every Albertan and Alberta business would pay \$2,950 to \$5,270 more each year if we had any other provincial tax system

Our single rate tax system means:

- the bottom half of all income earners pay just 3% of total provincial personal income taxes
- the middle 40% of income earners pay 41%
- the top 10% of earners pay 56%

Alberta

Government of Alberta