

## [Alberta Records \\$8.9B Surplus](#)

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EDMONTON - Another boom year, another stratospheric Alberta surplus.

The Alberta treasury brimmed with \$8.9 billion more than it spent in 2006-2007, shattering last year's record windfall of \$8.7 billion, Finance Minister Lyle Oberg announced this morning.

But the overflowing coffers don't mean Premier Ed Stelmach and Oberg have just shy of \$9 billion in leftover money to shower upon new services, infrastructure, or bonuses for taxpayers. Virtually all of it has been already spent on infrastructure or stashed away in various rainy-day funds.

But what extra cash is available has been devoted one-third to savings and two-thirds to construction projects, based on the Stelmach government's new formula for unexpected surpluses. The government isn't yet saying what it will do with those amounts, \$227 million and \$455 million respectively.

The government's 2007 budget forecast a sharp downturn for the current year, and a relatively puny surplus of \$2.2 billion. It predicts revenues will fall to \$35.3 billion, down from last year's unprecedented \$38.6 billion, which Oberg attributed to a massive surge in population bringing with them more personal and corporate taxes.

This year's gloomier forecasts don't take in the impact of a rising loonie, which if it hits par with the U.S. dollar this summer might take a bite of up to \$1.5 billion out of Alberta's revenues, Oberg has warned.

Education Minister Ron Liepert has warned that "the treasury is going broke," as he finds cost-cutting ways to build schools and rebuffs school boards' complaints their provincial grants are inadequate.

But the results from the past year's Alberta annual report signal a repeat of a pattern that has existed for years: The government predicts a lower surplus due to lower energy royalties and tax hauls - and then savours a windfall at year's end. Last year's budget pegged the surplus at \$4.1 billion, less than half what it actually was.

Breaking somewhat with the past, this year's record surplus wasn't largely attributed to oil and gas royalties. Resource revenues were down to \$12.3 billion from the prior year's \$14.3 billion. A dip in natural gas prices helped keep royalties down.

Meanwhile, the province's take from gambling and liquor operations grew, which officials said was because of a larger population with more cash to burn.

The Stelmach government also reported that its venerable Heritage Savings Trust Fund is valued at \$16.6 billion, another historical high. Its mid-term cushion, the Sustainability Fund, sits at \$7.7 billion. Oberg has suggested the government might have to tap its Sustainability Fund if the pessimistic fiscal predictions come true.

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