

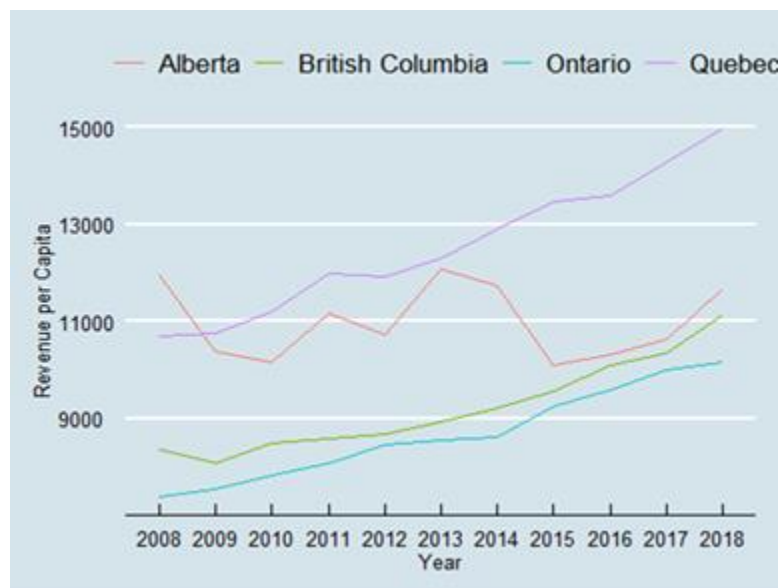


WORTH KNOWING

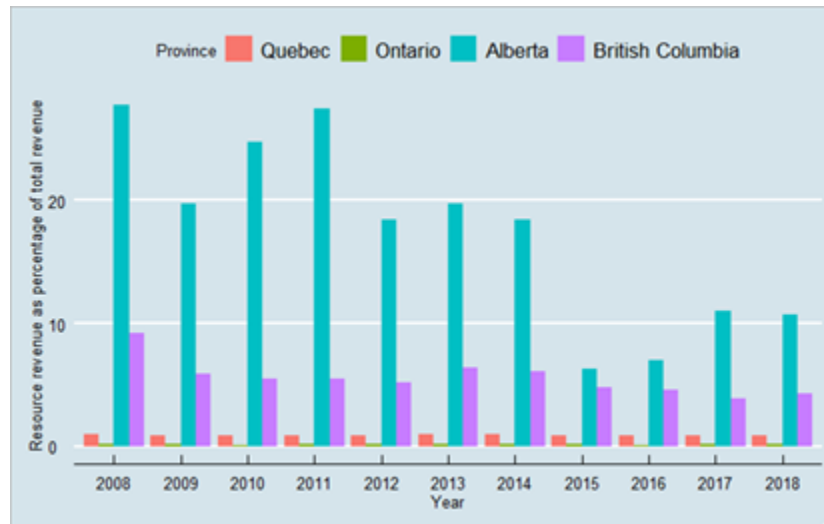
Alberta Government Revenues

Sometimes it seems like Alberta is perpetually in a fiscal crisis, and we do have one of the most volatile revenue streams amongst Canadian provinces. This results in unpredictable spending cycles.

The MacKinnon Report repeatedly compared Alberta to British Columbia, Ontario, and Quebec. The comparisons focused entirely on expenditures and ignored revenues. Any sound fiscal analysis needs to consider revenues and the volatility of provincial revenues. The graph below shows revenue per capita across Alberta, British Columbia, Ontario, and Quebec. Alberta's revenue is much more volatile than revenue in the other provinces.



Alberta's resource revenue as a share of total revenue is also the highest among these four provinces. In the table below, you can see the share of resource revenue in total revenue of the four provinces. It should be pointed out that in 2015 and 2016, when Alberta's resource revenue as a share of total revenue fell below 10 per cent, it was not that other revenue sources increased but rather that resource revenue declined so drastically.



Drawing such a large share of our provincial revenue from a volatile source such as resources, means that our provincial revenues will be highly volatile. The graph below shows the variance in revenue growth for each province from 2008 to 2018. Alberta's revenue growth is 8.5 times more volatile than British Columbia's, 15 times more volatile than Quebec's, and 21.8 times more volatile than Ontario's.

WORTH SHARING

Alberta's fiscal crisis is due to our reliance on an erratic and unreliable revenue source. Alberta has one of the most volatile revenue streams amongst Canadian provinces. This results in unpredictable spending cycles. However, responsible and predictable spending is essential to maintaining Alberta's world class public education system. **#WEAREATA**