



DOLLARS and **\$ENSE**

What would you do if you were Finance Minister?

Every Albertan deserves a voice in Alberta's 2013 Budget. Even in a prosperous place like Alberta, the reality is the government has to strike the right balance between competing priorities. Healthcare and education are important, but there are many other important things to fund – municipalities, policing, libraries, and our provincial highway network to name a few. The challenge for government is to sort through those priorities and come up with the right spending mix to do what's best overall for Alberta.

That's where you come in. We need to know what your priorities are for Budget 2013.

Visit our website at www.dollarsandsense.alberta.ca and complete an online survey. Attend one of the public open houses taking place across the province from October 4-13. Learn more about the budget process and get involved. Speak to your MLA, or write and tell me what you think.

Your input will help us develop next year's budget as we continue to take a prudent approach to ensure our economy remains strong and balance the budget. Alberta leads the country in housing starts, has the lowest unemployment rate, the highest job growth and maintains the lowest overall taxes. Our economy is stronger than most, but we still face uncertainty, and those outside forces can affect Alberta's bottom line. We need to plan carefully, and this is your opportunity to tell us what matters to you.

Thank you for your input.

Doug Horner

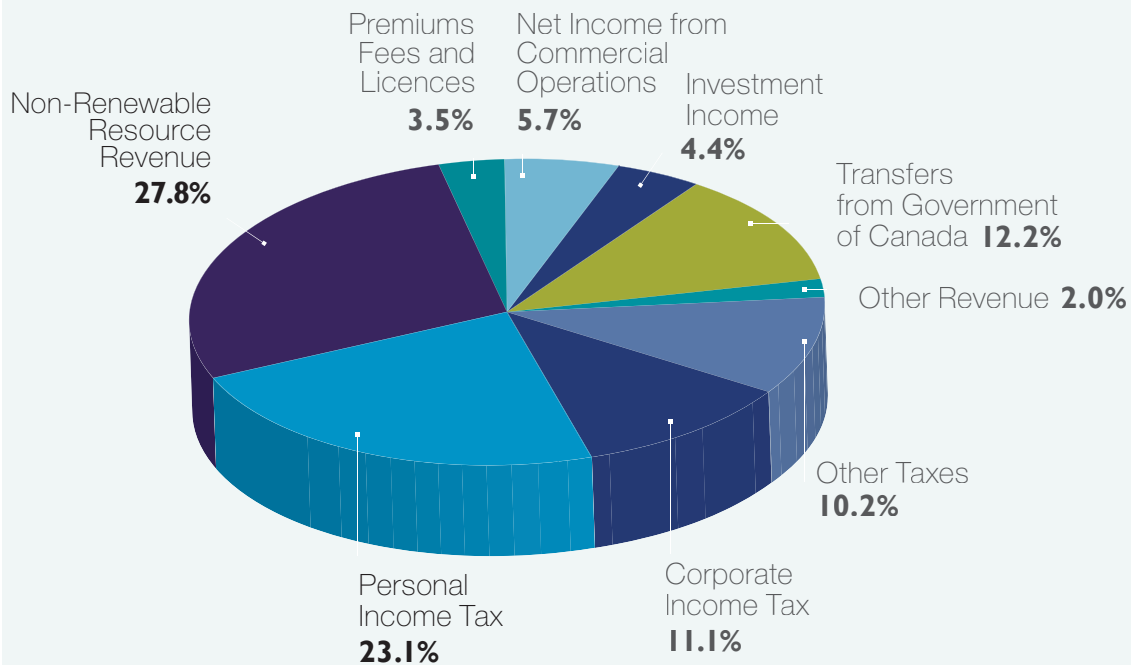
President of Treasury Board and Minister of Finance

What would you do if you were Finance Minister?

Revenue —

where the money comes from

2012 **Budget Revenue \$40.3 billion**



Volatility

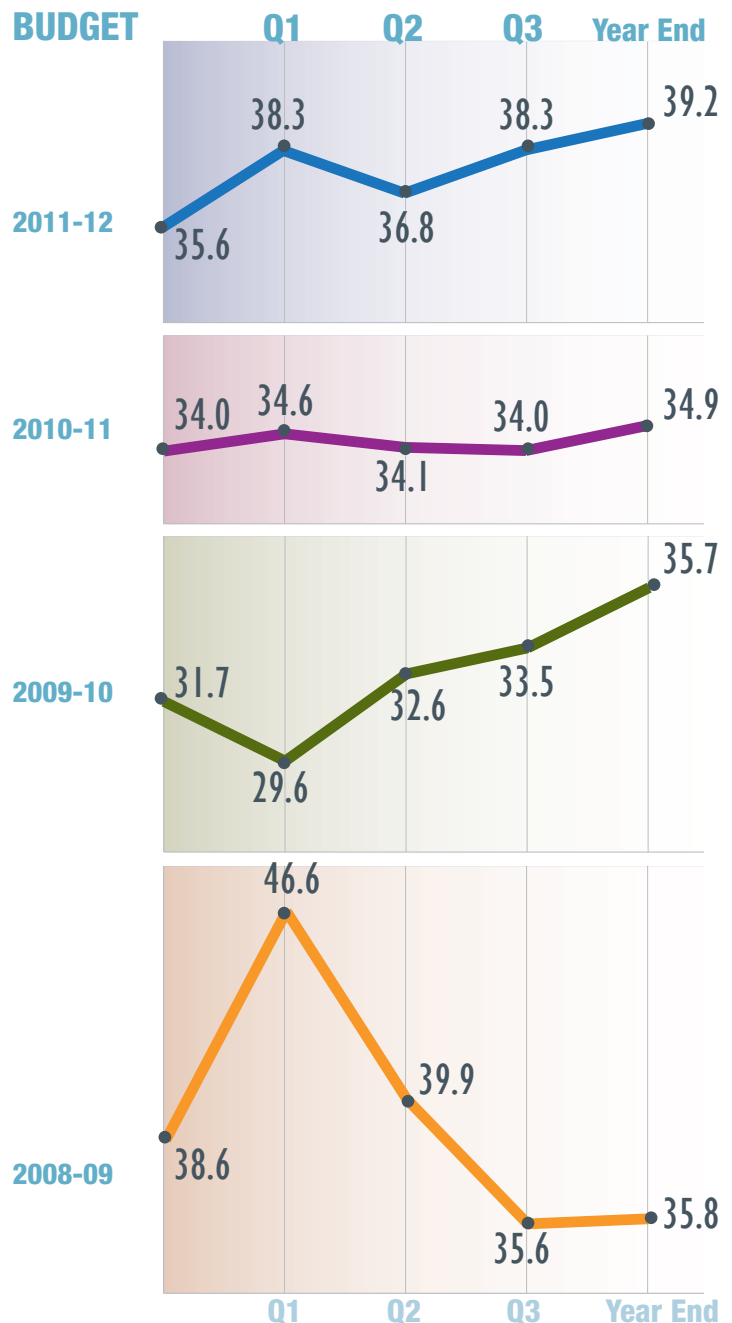
Alberta's revenues are hard to predict due to the volatility of natural gas and oil prices, as well as fluctuating exchange rates. Even during the course of one year, government revenue projects can fluctuate by billions of dollars. Magnifying this volatility is the fact that non-renewable resource revenue is a large share of the province's total revenue – 27.8 per cent.

Because of our provincial tax system, Albertans pay the lowest overall taxes among all provinces. If Alberta had the same tax system as any other province, Albertans and Alberta businesses would pay at least \$10.7 billion more in taxes each year. High income earners pay significantly more taxes than low income earners – the bottom 50 per cent of earners pay only 3 per cent of income taxes collected.

Revenue

by Quarter 2008-09 to 2011-12

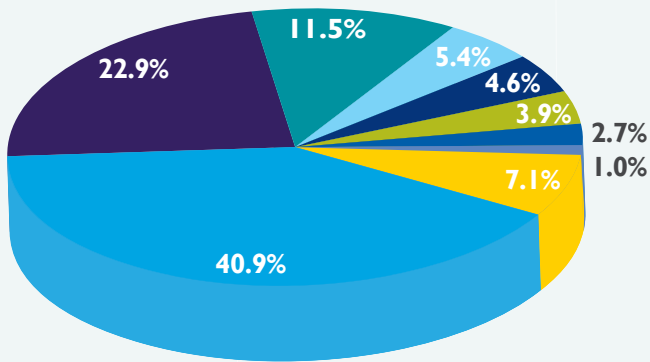
\$ Billion



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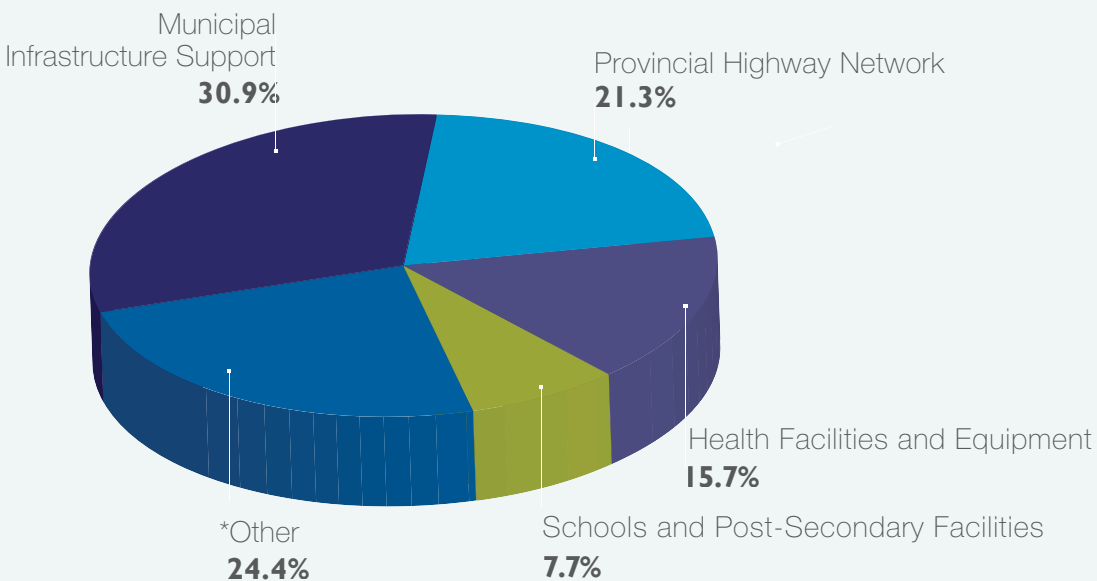
Spending — where the money goes

2012 -13 **Expense by Function**
(estimate)



- **Health** - consists of expenses incurred to ensure necessary health services are available to Albertans and includes funding for hospitals, medical and preventative care and the construction and maintenance of provincial health facilities.
- **Education** - includes Early Childhood Services to Grade 12, as well as post-secondary education, skills training and the construction and maintenance of educational facilities.
- **Social Services** - includes social assistance (e.g. AISH), pension benefits, and care for children, seniors and other vulnerable Albertans.
- **Agriculture, Resource Management and Economic Development** - includes amounts for farming support programs, food supply quality monitoring and protection, weed and pest control, crop insurance programs, natural resource management, economic and rural development, irrigation and veterinary care.
- **Transportation, Communications and Utilities** - includes amounts related to road, rail and air transport and maintenance, public transit grants, as well as pipelines, utilities and telecommunications networks.
- **Protections of Persons and Property** - includes amounts for the protection of persons and property, including amounts for policing and security, the provincial court system, correctional and rehabilitation services, firefighting, labour relations and a host of other regulatory measures.
- **Regional Planning and Development** - includes amounts for planning and regional development and a portion of the grants made directly to municipalities, including the Municipal Sustainability Initiative.
- **Environment** - provides for environmental monitoring and protection, including pollution control, water supply management, air quality control, garbage collection and waste disposal and a host of other environmental programs and initiatives.
- **General Government** - includes a broad range of additional services including funding for parks and recreation, cultural activities, housing initiatives, economic development, costs to run government and debt servicing expenses (interest payments).

2012 -15 **Capital Plan**
Support for Alberta Infrastructure



*This area includes funding for projects such as the Edmonton Remand Centre, Federal Building restoration, Royal Alberta Museum and First Responder Communication System.

Survey

A provincial budget is a lot like a personal budget – you need to know what you have for income and expenses, and you need to know where your spending priorities lie. As we work to develop Alberta’s 2013 budget, we want to know what matters most to you as a taxpayer and an Albertan. Your input will help us create a budget that reflects the goals and priorities of the majority of Albertans.

1. SETTING THE RIGHT PRIORITIES

Albertans have worked hard to get out of debt, but during the recent global economic downturn the province ran a deficit. The shortfall in the budget was covered by a short-term stabilization fund called the Sustainability Fund. It helped us weather the downturn and revenue volatility without major cuts to programs or going into debt. We used the fund because Albertans said it was the right thing to do at the time. But we want to know how that fits with your priorities today.

Rank the following in order of priority

(1 being the greatest priority to 4 being the least):

- ___ Balance the budget (no deficit)
- ___ Spending on core areas (e.g. health, education, etc.)
- ___ Maintaining low taxes
- ___ Saving for the future

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2. MEETING YOUR NEEDS

One of the biggest challenges for any government is managing all the competing priorities. Just like your household budget, we need to determine where the money goes.

a. How would you allocate the budget?

The total must add to 100%.

- _____ % Health
- _____ % Education
- _____ % Agriculture, Resource Management and Economic Development
- _____ % Social Services
- _____ % Other (see question "2 c" for details)

b. What does investing in this priority mean to you?

Health _____

Education _____

Agriculture, resource management and economic development _____

Social Services _____

c. Rank the items in the 'Other' category in order of priority

(one being the greatest priority to six being the least):

- ___ Transportation
- ___ Justice & Policing
- ___ Regional Planning & Development
- ___ Environment
- ___ Recreation/Arts/Culture
- ___ Housing

3. BUILDING YOUR PROVINCE

Public infrastructure is essential to supporting a strong economy and maintaining the quality of life for Albertans – giving us the schools, health facilities and roads we need for a growing economy.

a. Overall, how do you feel about investing in infrastructure? In the coming years would you like to see that investment:

- Increase
- Decrease
- Remain the same

b. Would you be willing to borrow to invest in infrastructure – just like taking out a mortgage to buy a house

- Yes
- No

4. SAVING FOR THE FUTURE

When Alberta has returned to a balanced budget and has a surplus, what are your priorities for that surplus revenue?

Where would you allocate surplus revenue?

The total must add to 100%.

- _____ % Long-term savings
- _____ % Short-term savings
- _____ % Spending (programs and services)
- _____ % One-time infrastructure projects