



NEWS RELEASE

Alberta government could balance its budget sooner than 2023/24 with modest spending discipline

February 15, 2018
For immediate release

CALGARY—The Alberta government could balance the budget years ahead of its self-imposed 2023/24 deadline with modest spending discipline and avoid accumulating tens of billions of dollars in additional debt, according to a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

The government's current timeline calls for a balanced budget by 2023/24 with an estimated \$40 billion in additional debt, bringing the provincial debt to \$62 billion.

"Balancing the budget sooner rather than later based on modest spending reductions will avoid large increases in new debt and the risk of much higher interest costs in the future," said Steve Lafleur, Fraser Institute senior policy analyst and co-author of *Alternative Paths for Alberta's Budget: Balance by 2023/24 Is Not Enough*.

The study examines different scenarios in which the Alberta government could balance the budget ahead of its self-imposed timeline of 2023/24 with modest program spending reductions or restraint.

For example, the government could balance its budget by 2020/21—a full three years ahead of schedule—by reducing program spending by 1.85 per cent per year. Alternatively, the government could reduce program spending by just 0.55 per cent per year and balance the budget by 2021/22.

The study also found that the government is currently not on track to meet even its modest goal of balancing its budget by 2023/24 and will in fact run a \$5 billion deficit that year if current revenue and spending trends continue.

"Running deficits for many years to come isn't a necessity—it's a choice. If the government wants to get to balance faster and prevent a run-up in debt, it has many options available," said Ben Eisen, director of the Fraser Institute's Alberta Prosperity Initiative.

(30)

MEDIA CONTACTS:

Steve Lafleur, Senior Policy Analyst (in Calgary)
Fraser Institute

To arrange media interviews or for more information, please contact:

Bryn Weese, Media Relations Specialist, Fraser Institute
(604) 688-0221 ext. 589

bryn.weese@fraserinstitute.org

[Follow the Fraser Institute on Twitter](#) | [Like us on Facebook](#)

The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of think-tanks in 87 countries. Its mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. To protect the Institute's independence, it does not accept grants from governments or contracts for research. Visit www.fraserinstitute.org