

ROYALTY REVIEW PANEL

May 24, 2007

We have a serious royalty deficit in this province. We are told that this is the richest province in all of Canada.

If we are so rich then why do we have thousands of homeless and destitute people living on our streets? Why are there so many food banks in Calgary and elsewhere that we never saw before? Calgary is now the 6th most expensive city in the world in which to live.

This so-called prosperity does not reach everyone and has created more problems to the people of Alberta than it has solved. Lack of affordable housing has created an atmosphere that only those with higher incomes can be buyers or renters thus the exodus to other provinces. Greed and lack of government intervention has made this happen. The province does not want to place rent caps, further disadvantaging the people of Alberta. What are we gaining from our royalties?

Why hasn't a Southeast Hospital been built by now before the price sky rocketed? The new Cancer Centre in Calgary is on hold due to lack of funding in the budget.

Why are Albertans still paying Health Care premiums? And why are previously covered health benefits continually being eroded? Why were senior's benefits cut since the early 1990's? We can afford these benefits - can't we? Seniors are falling further behind and losing out during this so-called prosperity. They contributed and still contribute in a large way to society by their volunteer and unpaid time (in hospitals, nursing homes and schools to name only a few), which saves governments billions of dollars. Is this the price of our prosperity? We are gouged by rising gasoline prices, which are excessively high, when we own the oil. We benefit nothing from this ownership and consumption.

Some corporations, who are not paying their fair share of royalties and making enormous profits, do not give cost of living increases to their retiree's pensions - a double edged sword to affordability in the rising cost of living. Many have been forced to leave Alberta.

Why are programs and services for the disabled cut or reduced? This is a rich province – isn't it? **Why did AISH recipients have to take legal class action regarding their funding?** Low pay imperils care for disabled people. Parents on fixed incomes with family members who have disabilities, are straddled with some of the responsibilities that governments should be addressing rather than facing cut backs in many respects.

Benefits to the disabled are continually being eroded. Transportation issues to the disabled and seniors are being ignored creating further serious problems for their well being.

Why is infrastructure allowed to crumble? Why are schools allowed to deteriorate and have leaking roofs? Our parks are in disrepair. They were not kept up and need upgrading. Budgets were reduced, allowing this to happen. Why is the provincial pension fund billions of dollars in arrears? Why were our resource royalties cut to 19% (and Oil Sands only 1%) when all these needs require attention? No other jurisdiction in the developed world allows itself to be exploited as does Alberta.

We have lost all the revenue during the high energy price period while resource corporations reaped billions in profits. These are depleting non-renewable resources and we have lost forever the needed income from them. To whom is this so called "Alberta ADVANTAGE" DIRECTED? DOES ANYONE CARE? IS THERE NO SOCIAL CONSCIENCE AT ALL LEFT IN THIS PROVINCE?

EACH DAY WE HAVE A CLOCK THAT IS TICKING AWAY MILLIONS OF DOLLARS WHILE THE GOVERNMENT PROCRASTINATES AND LOWERS ROYALTIES INSTEAD OF RAISING THEM. WE DON'T NEED ANY MORE STUDIES AND CONSULTATIONS. IT IS OBVIOUS THAT ROYALTIES THAT WERE LOWERED, NEED TO BE INCREASED SUBSTANTIALLY FOR THE NEED OF THE CITIZENS OF THIS PROVINCE AND FOR THE FUTURE.

Norway can teach this province a lesson on how to achieve a proper royalty structure for the benefit of all its citizens and future generations. Their oil industry did not get started until 1970. They started their Heritage Fund (pension) 20 years after Alberta and in ten years, it sits at around \$260 billion while ours is only \$15 billion. Why? (And we can't sell part of it.) Their production is approximately the same as ours.

Norway's royalties are much higher and they have an excess profits tax as well. Resource companies did not leave Norway (as threatened here). They are still there.

We are the most secure source of these resources to our foreign buyers and they know it. They need our oil and gas and should be willing to pay a reasonable and higher royalty than presently exists. Even Norway sees a bargain in our Oil Sands by buying into it.

Where will we be when Oil and gas has been used up? Norway has money set aside for such an eventuality. They made proper planning. Alberta has not and its citizens will be the losers. Keep some of the oil and gas for our future consumption. When it's gone, it's gone. Then what?

This industry is causing alarming pollution. Who will be responsible for clean up and restoration when they're gone? Don't let this present give-away situation continue. It's about time Alberta Government developed some of its own oil and gas for a full share of our royalties as well as refining the products.

This government has a responsibility to the people of Alberta and represent their needs and wishes. That has not been the situation in Alberta. It has been governing from the top down instead of from the bottom up. There isn't the serious listening and acting to the people of Alberta, therefore people feel helpless, hopeless and in despair.

Municipalities are crying out for provincial assistance in addressing their needs. We are being short changed as Albertans – owners of our resources. What are we individually benefiting from them? The Finance Minister has already indicated that he would not be in favour of raising royalties. Then what is the purpose of this panel review? Is this going to be an exercise in futility?

Immediate government action in increasing all our resource royalties is necessary in order that we may claim that this is a rich province benefiting all its citizens.

Presented By: Stan Nykiel
Board Member
Coalition of Seniors Advocates Association