



Merwan Saher released his final report as Alberta's auditor general Thursday in Edmonton. GREG SOUTHAM

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# Auditor general stresses need for long-term fiscal projections

## Saher says Alberta has an 'obligation' to plan for declining energy revenues

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Alberta's auditor general says decades-long fiscal projections are imperative to create a sustainable path for the province, but he stopped short of making official recommendations.

"A surplus of \$3 billion per year every year for 25 years would be needed to pay off the debt expected to be accumulated by 2021," said auditor general Merwan Saher's report tabled Thursday.

The 2018 provincial budget forecasted that debt would swell to \$77 billion by 2021 from \$54 billion, and climb even further to \$96 billion in the following two years.

"A strong illusion that oil and gas revenues are a reliable source of funding and fiscal stability is created by nearsightedness and over-relying on the province's

bottom line to tell the story," the report said.

It's the final word from Saher, who has held the position of auditor general since 2010 and is ending his term this month.

The report argued Alberta's economic outlook should consider what the surplus and deficit would be if oil and gas revenues were excluded.

Norway is a petroleum-producing country that does just that to guide its long-term plan, with a 40-year projection of resource revenues reported at least every five years.

"It can be done," Saher said.

His report reinforced the idea that Alberta needs to get off the oil and gas roller-coaster, said Finance Minister Joe Ceci in a statement.

"Quality services should not depend on the price of oil," he said.

"I'm proud of how transparent our budgeting process is and I'm always open to hearing about ideas to make it even better."

Saher highlighted the province's long-term risks, including an aging demographic and the need to adapt to climate change.

"If it's a fact and openly admitted that oil and gas revenues will deplete over time, how are we going to deal with that?" he told reporters, comparing long-term projections to retirement planning.

"There's an obligation to look out into the future," he said. "No government in this province has ever produced the sort of reporting we are advocating for."

He admitted his final report marked the first time he's raised the issue — "I wish I had had the wisdom to make this point in my very first report."

Doug Wylie, who has worked in the office of the auditor general for 28 years, is slated to take over from Saher on April 28.

cclancy@postmedia.com  
twitter.com/clareclancy