

NOVEMBER 25, 2010

FOR IMMEDIATE RELEASE

## **Misplaced Generosity**

### **New report says extreme oil profits come at expense of government revenue**

CALGARY – Despite a provincial deficit now forecast to reach \$5 billion this year, a new report from the U of A’s Parkland Institute points out that Albertans have foregone tens of billions in potential revenue as a result of overly generous royalty cuts and the government’s failure to meet even its own modest targets.

The report, entitled *Misplaced Generosity: Extraordinary profits in Alberta’s oil and gas industry*, takes a closer look at whether the oilpatch was in need of the latest string of royalty cuts and asks some tough questions about the scale of their profits and how the Stelmach government has managed this province’s most important economic file.

“Albertans are already enduring a recession and a variety of cuts to public services,” says the report’s author Regan Boychuk, public policy research manager with the Parkland Institute. “Without a change of course by their government, they can expect more of the same: generosity for the oilpatch, discipline for citizens.”

The report traces the scale of industry profits over the last decade and delivers some much-needed scrutiny to the Stelmach government’s series of drilling incentives and royalty holidays that have forfeited billions in public revenue.

Debunking myths about Alberta’s supposedly higher oilfield costs, investment fleeing to our neighbours, and about how risky the oil and gas business is in Alberta, *Misplaced Generosity* also exposes the publicly-funded roots of oil production in the tar sands and reiterates recommendations to improve the accountability and oversight of the provincial government’s management of oil and gas revenues.

“Properly managed in Albertans’ interest,” Boychuk says, “oil and gas revenue could quickly accumulate to a sizable fund that could sustainably generate many billions in investment revenue to support annual budgets for generations to come.”

The Parkland Institute is a non-partisan public policy research institute in the Faculty of Arts at the University of Alberta. *Misplaced Generosity: Extraordinary profits in Alberta’s oil and gas industry* is available on the Parkland Institute web site at [parklandinstitute.ca](http://parklandinstitute.ca/) or in hard copy from the Parkland Institute at 780-492-8558.

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