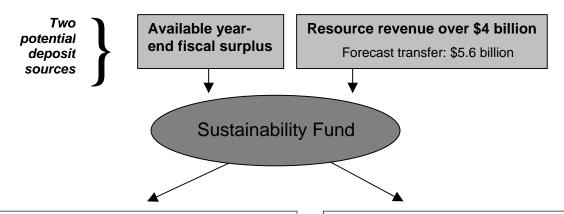


# Backgrounder

November 29, 2004

### **How the Sustainability Fund works**



### Forecast withdrawals - \$1.2 billion:

- \$630 million BSE relief;
- \$124 million forest fires;
- \$76 million flood assistance;
- \$359 million potential natural gas rebates.

### Withdrawals can also be made when:

- resource revenue drops below \$4 billion;
- resource revenue is high, but other revenue is below budget;
- First Nations settlements,.

Withdrawals cannot include supplements to program spending.

## Reallocations once fund exceeds \$2.5 billion:

- \$3.7 billion to debt repayment;
- \$1.1 billion to Capital Account.

### Forecast year-end assets: \$3.17 billion

- minimum \$2.5 billion to be retained in the Sustainability Fund;
- reallocations cannot include supplements to program spending.

#### Funds can also be used to:

- improve assets, such as the Heritage Savings Trust Fund and endowment funds;
- grow the Sustainability Fund.

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