

Piece of the Petroleum Pie: Student budget sheet

Name

Class

Part 1: Actual budget (Budget A)

Plan your budget using the budget sheet provided.

1. First, using data from 2006, calculate a) how much revenue the Alberta government collected from the petroleum industry in taxes and royalties and b) how much of the profit the industry kept.

Profits: \$38 billion = [Total Industry Revenues \$80 billion - Cost of Production \$42 billion]

Per cent of profits paid to province in royalties and taxes: 32%

a) Amount paid to the province: \$_____ billion [petroleum profits x percentage of profits/100]

b) Amount remaining for petroleum producers (profits) \$ _____ billion [petroleum profits – taxes & royalties]

Round the above figures to the nearest whole number.

c) Amount paid to the province: \$_____ billion

d) Amount remaining for petroleum producers: \$_____ billion

2. Complete **Budget A** on your sheet using the figures from questions 1c and 1d. The figure from 1d represents the amount of revenue allocated to the petroleum producers and can be used to fill in the first box on your sheet. 1c represents what you now have left to allocate to government ministries. This revenue will be represented by the appropriate number of pennies, each penny representing \$1 billion. Decide how many pennies you will give to the government ministries that have been put in place to support the quality of life and standard of living in Alberta and record this on your sheet.

3. a) Indicate which area you allocated the *most* revenue to and explain why.

Government ministry: _____

Reason: _____

- b) Indicate which area you allocated the *least* revenue to and explain why.

Government ministry: _____

Reason: _____

4. Move around the class room and distribute your pennies in accordance with your budget.