

BUDGET 2022

GOVERNMENT OF ALBERTA | 2022-25

Ministry Business Plan

Treasury Board and Finance

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Business Plan 2022-25

Ministry Fact Sheet – Mandate and Structure

The Ministry of Treasury Board and Finance (TBF) is responsible for budget planning, financial management and economic analysis, as well as the administration of tax and revenue programs. TBF provides policy and regulatory oversight for Alberta's liquor, gaming, cannabis, financial, securities, insurance and pensions sectors.

To guide fiscal decision-making, the Government of Alberta (GoA) established three key fiscal anchors: keeping net debt-to-GDP under 30 per cent, getting per capita spending in-line with comparator provinces, and after the pandemic, re-establishing a commitment to balance the budget. TBF remains committed to maintaining fiscal discipline and controlling spending to support the government's fiscal targets, and working closely with ministries to ensure adequate funding to deliver on the commitments the government has made to Albertans, including:

- Supporting Alberta's Recovery Plan and sector strategies, helping create an environment that attracts investment and job creators, removing barriers to job creation, and supporting economic diversification;
- Developing new initiatives to help Albertans to secure family-supporting jobs and addressing unemployment in key sectors;
- Modernizing government and undertaking transformational changes necessary to ensure the services on which Albertans rely remain effective and accessible;
- Maintaining a competitive tax environment; and
- Negotiating a fair deal for Alberta within Canada.

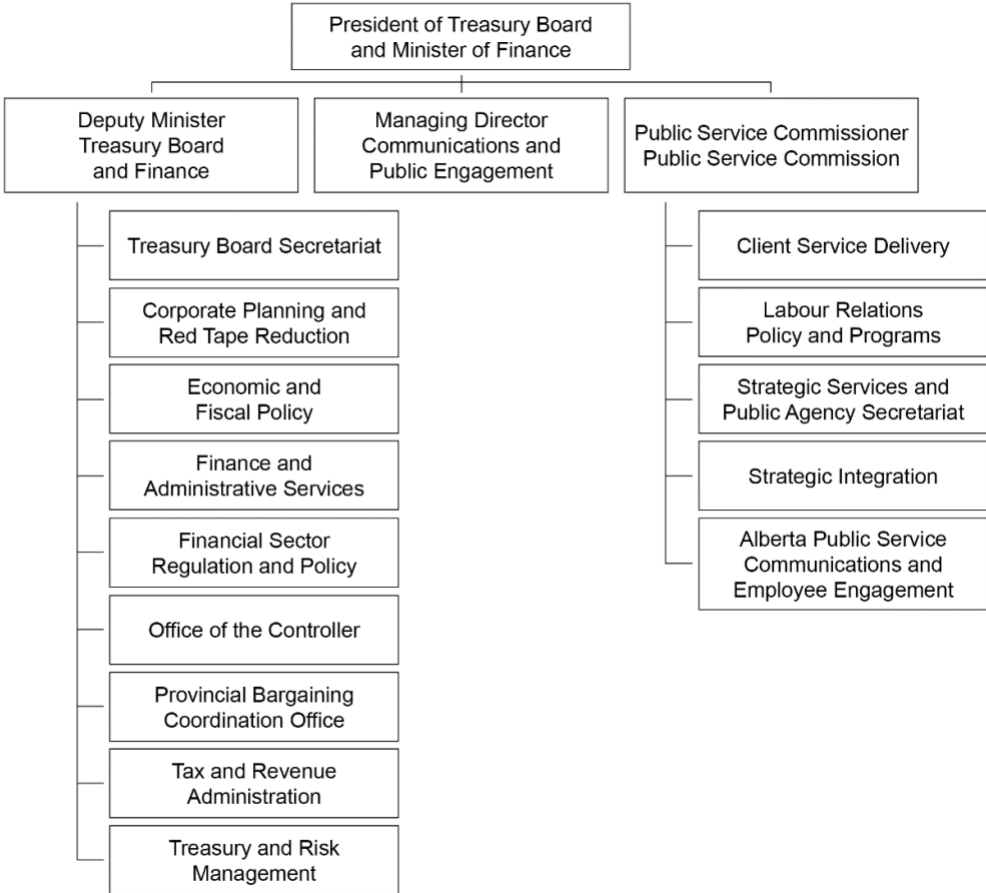
TBF is responsible for monitoring the fairness, competitiveness, economic efficiency, and revenue stability of Alberta's tax system, and providing tax policy advice and tax and revenue program administration to government. The ministry leads government's budgeting, financial planning and reporting, including the annual spending review to find savings and ensure that initiatives are aligned with government priorities. TBF has implemented a rigorous capital spending framework to ensure predictable and sustainable funding, promote greater transparency, and mitigate risks. The ministry is modernizing policies, processes and structures to improve the efficiency and functionality of our government's finance and accounting systems. TBF also works cooperatively with other jurisdictions to improve securities regulation in Canada, ensuring a provincially-led regulatory system that meets the needs of Alberta market participants and investors. The ministry is responsible for preparing collective bargaining directives, supporting cross-sectoral coordination in bargaining and strengthening government's overall strategic capacity with respect to negotiations, arbitrations, compensation research and analysis, and other strategic labour relations matters.

TBF is leading, coordinating, monitoring and tracking red tape reduction efforts across the GoA to eliminate unnecessary regulatory burden on job creators and Albertans. The ministry is also responsible for administering and enforcing the requirements of the *Employment Pension Plans Act* (EPPA) to ensure that all registered pension plans are compliant with the Act, regulating the market conduct of all insurers operating in Alberta, and supervising the solvency, governance and compliance of provincially incorporated insurance companies; and developing policy and legislation related to Alberta Gaming, Liquor and Cannabis (AGLC) and Horse Racing Alberta (HRA).

The Public Service Commission (PSC), which also reports to the Minister of Finance, administers Alberta's *Public Service Act* and the Code of Conduct and Ethics for the Public Service of Alberta; represents the Government of Alberta as the Employer in Alberta Public Service (APS) related collective bargaining and other labour relations matters; and provides advice to the President of Treasury Board and Minister of Finance, the Deputy Minister of Executive Council, Deputy Ministers, and senior officials on human resources and public agency governance. PSC provides strategic leadership, resources and advice on effective internal communications and employee engagement to enhance public support of the APS and support the attraction and retention of qualified employees to serve the needs of Albertans. PSC supports ministries by providing strategic leadership, resources and advice on board governance

and evidence-based recruitment of qualified candidates to support accountability, efficiency and effectiveness in public agencies.

Communications and Public Engagement (CPE) is another constituent part of TBF. CPE is the government’s full-service communications, public relations and marketing department with branches in each ministry along with centralized services. CPE provides communications support to all of government, and has expertise in strategic communications planning, issues management, media relations, crisis communications, digital communications, graphic design, marketing and advertising, research and public engagement. CPE also manages the government’s website, Alberta.ca. CPE delivers coordinated government-wide communications that are clearly presented, accurate and relevant, making it easy for Albertans to understand government information and access government services.



A more detailed description of TBF and its programs and initiatives can be found at: www.alberta.ca/treasury-board-and-finance.aspx

The Ministry of Treasury Board and Finance continues to review programs to ensure Albertans receive efficient and client-focused services from their government. As part of this ongoing review, the ministry is committed to protecting and supporting Albertans and job creators by reducing red tape by one-third by 2023, modernizing regulations, eliminating unnecessary regulatory requirements, and reducing administrative burden through more efficient processes including digital solutions.

Ministry business plans should be considered in conjunction with all budget documents - including the Fiscal Plan, Government Strategic Plan, and Estimates - which work together to provide a complete overview of government’s commitment to responsible fiscal management.

Business Plan – Core

Outcome 1

A strong and resilient financial foundation that supports sustainable government services and demonstrates excellence in accountability, transparency and risk management

Key Objectives

- 1.1 Monitor the fairness, competitiveness, economic efficiency, and revenue stability of Alberta’s tax system, and provide tax policy advice and tax and revenue program administration support to the government.
- 1.2 Lead government’s red tape reduction efforts to remove unnecessary regulatory and administrative burdens on Albertans and businesses, supporting economic recovery by reducing costs for business, eliminating regulatory barriers for job creators, attracting investment, and improving service delivery to Albertans.
- 1.3 Lead the government’s fiscal strategy and maintain a competitive corporate tax environment making Alberta an investment destination for high-value and high-impact investments, ensuring economic diversification, growth and long-term economic success.
- 1.4 Maintain fiscal discipline and spending to support the government’s fiscal targets and work closely with ministries to deliver on the commitments the government has made to Albertans in the Government of Alberta Strategic Plan.

Initiatives Supporting Key Objectives

- \$2 million is allocated to Corporate Planning and Red Tape Reduction (CPRTR), which sets direction and provides tools and guidance to ministries to drive the elimination of red tape to meet reduction targets.
- \$12.4 million is allocated to Fiscal Planning and Economic Analysis and the Treasury Board Secretariat to provide analysis and advice on fiscal and economic policy, budgeting, fiscal accountability along with revenue and tax policy.
- \$28.3 million is allocated to Tax and Revenue Management to administer tax, revenue, grants and programs under multiple acts, including the *Alberta Corporate Tax Act*, the *Fuel Tax Act*, the *Tobacco Tax Act* and the *Tourism Levy Act*.

Performance Metrics

1. a **Performance Measure: One-third red tape reduction by 2022-23.** In 2020-21, the GoA reduced red tape by 15.7 per cent and TBF reduced red tape by 19.5 per cent exceeding the ambitious 12 per cent cumulative target set for 2020-21.

Targets	2022-23	2023-24	2024-25
GoA	33%	Net Zero Increase	Net Zero Increase
TBF	33%	Net Zero Increase	Net Zero Increase

1. b **Performance Measure: The Alberta Heritage Savings Trust Fund will earn a five-year annualized rate of return of CPI plus 4.5 per cent.** The primary return target for the Alberta Heritage Savings Trust Fund is to meet or exceed the Canadian Consumer Price Index plus 450 basis points over a five-year period. Over the five-year period ending in 2020-21, the Heritage Fund earned an annualized return of 7.4 per cent, exceeding the return target of 6.1 per cent by 1.3 per cent.

Targets	2022-23	CPI+4.5%	2023-24	CPI+4.5%	2024-25	CPI+4.5%

Outcome 2

Policy and regulatory oversight for the liquor, gaming, cannabis, financial, securities, insurance and pensions sectors is effective, fair and in the interests of Albertans

Key Objectives

- 2.1 Lead and implement changes to modernize legislation, regulations and policies impacting the regulated industries overseen by TBF, reducing red tape, identifying regulatory efficiencies, enhancing industry sustainability and supporting consumer outcomes.
- 2.2 Establish an effective supervisory framework for captive insurance companies.

Initiatives Supporting Key Objectives

- Drafting and passing the Captive Insurance Companies Regulation, and bringing the *Captive Insurance Companies Act* into force.
- Participating in the federal *Cannabis Act* review to represent Alberta's interests, including minimizing red tape for industry and maintaining a strong commitment to the health and safety of all Albertans.
- Reviewing the Gaming, Liquor and Cannabis Regulation, and AGLC Handbooks to reduce red tape, find administrative efficiencies and get out of the way of job creators.

Performance Metrics

2.a **Performance Measure: Alberta incorporated insurance companies rated as stable by the Superintendent of Insurance.** The 2020-21 ratio was 100 per cent and stable, meeting the target.

Targets	2022-23	100%	2023-24	100%	2024-25	100%
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Outcome 3

An efficient and effective public service working for Albertans

Key Objectives

- 3.1 Deliver client-focused and timely human resource (HR) services to enable the APS to achieve government priorities, including future-focused workforce and workplace planning, and enhancements to the integration, efficiency and functionality of government's HR system to meet the evolving needs of departments
- 3.2 Foster and promote a safe, diverse, inclusive and respectful work environment in the APS.
- 3.3 Continue to provide strategic negotiations and arbitration services, mandate development for bargaining compensation research and data analytics.

Initiatives Supporting Key Objectives

- \$62.4 million is allocated to PSC to deliver direct and strategic HR services to departments as well as to support evidence-informed decisions on the current and future APS workforce, and ensure accountability, transparency and good governance in Agencies, Board and Commissions.

Performance Metrics

3.a **Performance Indicator: Inter-jurisdictional comparison of provincial public administration employees per 1,000 residents** (Statistics Canada. Table: 17-10-0009-01 Table: 14-10-0202-01). Provincial public administration comprises establishments of provincial or territorial governments primarily engaged in activities of a governmental nature.

Jurisdiction	2016	2017	2018	2019	2020
Alberta	6.9	7.0	6.8	6.6	6.1
Canada Average	11.8	11.7	12.0	12.0	11.9

STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2022-23 Estimate	2023-24 Target	2024-25 Target
	2020-21 Actual	2021-22 Budget	2021-22 Forecast			
REVENUE						
Personal Income Tax	11,256,626	11,647,000	13,261,000	13,382,000	14,442,000	15,455,000
Corporate Income Tax	3,036,579	1,891,000	3,343,000	4,040,000	4,517,000	4,896,000
Other Taxes	2,742,752	2,988,000	2,884,000	3,012,000	3,150,000	3,263,000
Transfers from Government of Canada	3,222,674	1,797,000	1,801,000	2,623,000	1,939,000	2,007,000
Investment Income	2,246,120	1,850,015	4,270,354	2,844,532	3,141,804	3,337,137
Net Income from Commercial Operations	1,888,890	2,339,532	2,539,747	2,653,000	2,742,180	2,791,602
Premiums, Fees and Licences	212,418	195,072	276,996	252,028	253,879	257,016
AIMCo Investment Management Charges	542,324	578,511	787,568	728,660	728,674	731,742
Other Revenue	101,143	95,815	91,579	96,076	97,032	98,603
Ministry Total	25,249,526	23,381,945	29,255,244	29,631,296	31,011,569	32,837,100
Inter-Ministry Consolidations	(169,156)	(177,139)	(175,195)	(169,473)	(169,025)	(172,495)
Consolidated Total	25,080,370	23,204,806	29,080,049	29,461,823	30,842,544	32,664,605
EXPENSE						
Ministry Support Services	6,586	7,837	7,287	7,577	7,754	7,866
Treasury Board Secretariat	5,642	5,918	5,583	6,053	6,278	6,421
Fiscal Planning and Economic Analysis	5,315	5,842	5,342	6,378	6,611	6,759
Investment, Treasury and Risk Management	398,193	311,133	363,813	352,206	353,514	355,336
Office of the Controller	5,146	7,428	6,228	7,456	7,671	7,808
Tax and Revenue Management	30,643	45,689	37,903	46,347	47,387	48,049
Financial Sector and Pensions	175,795	186,230	181,593	191,393	193,981	196,453
Provincial Bargaining Coordination Office	2,797	3,360	3,360	3,360	3,468	3,537
Corporate Planning and Red Tape Reduction	2,144	2,433	1,683	2,006	2,071	2,113
Public Service Commission	58,513	60,755	57,805	62,359	65,183	67,309
Communications and Public Engagement	37,037	30,685	31,485	33,066	34,061	34,670
Gaming	26,915	38,800	36,500	42,100	48,600	49,800
AIMCo Investment Management Services	542,409	577,801	787,247	728,160	728,149	731,191
Carbon Tax - Consumer Rebates	19,696	5,000	12,000	5,000	2,000	1,000
Teachers' Pre-1992 Pensions - Payments	490,918	487,417	487,417	485,833	483,833	481,250
Motor Vehicle Accident Claims	38,301	30,748	37,130	31,527	31,646	31,721
Alberta Family Employment Tax Credit	45,678	-	1,500	1,000	750	500
Scientific Research and Experimental Development Tax Credits	81,974	4,000	20,000	5,000	1,000	1,000
Corporate Income Tax Allowance Provision	109,527	25,000	42,000	20,000	15,000	15,000
General Debt Servicing	1,420,969	1,587,075	1,309,075	1,397,950	1,492,450	1,575,450
Capital Debt Servicing	961,000	1,068,000	983,000	1,156,000	1,153,000	1,154,000
Change in Unfunded Pension Obligation	(183,110)	(242,000)	(265,000)	(284,000)	(292,000)	(300,000)
Contingency / Disaster and Emergency Assistance	-	750,000	-	1,000,000	750,000	750,000
Contingency - COVID-19	-	1,250,000	-	750,000	-	-
Contingency - Recovery Plan	-	500,000	213,000	-	-	-
Ministry Total	4,282,088	6,749,151	4,365,951	6,056,771	5,142,407	5,227,233
Inter-Ministry Consolidations	(178,742)	(191,773)	(191,318)	(189,495)	(186,327)	(186,666)
Consolidated Total	4,103,346	6,557,378	4,174,633	5,867,276	4,956,080	5,040,567
Net Operating Result	20,977,024	16,647,428	24,905,416	23,594,547	25,886,464	27,624,038

CAPITAL INVESTMENT

(thousands of dollars)

	Comparable			2022-23 Estimate	2023-24 Target	2024-25 Target
	2020-21 Actual	2021-22 Budget	2021-22 Forecast			
Ministry Support Services	-	25	14	25	25	25
Financial Sector and Pensions	4,186	3,886	3,830	3,940	4,258	4,258
Communications and Public Engagement	34	-	-	-	-	-
AIMCo Investment Management Services	10,963	15,000	14,000	14,300	15,000	15,000
Consolidated Total	15,183	18,911	17,844	18,265	19,283	19,283