

BUDGET 2021

GOVERNMENT OF ALBERTA | 2021-24

Ministry Business Plan

Treasury Board and Finance

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Business Plan 2021-24

Ministry Fact Sheet – Mandate and Structure

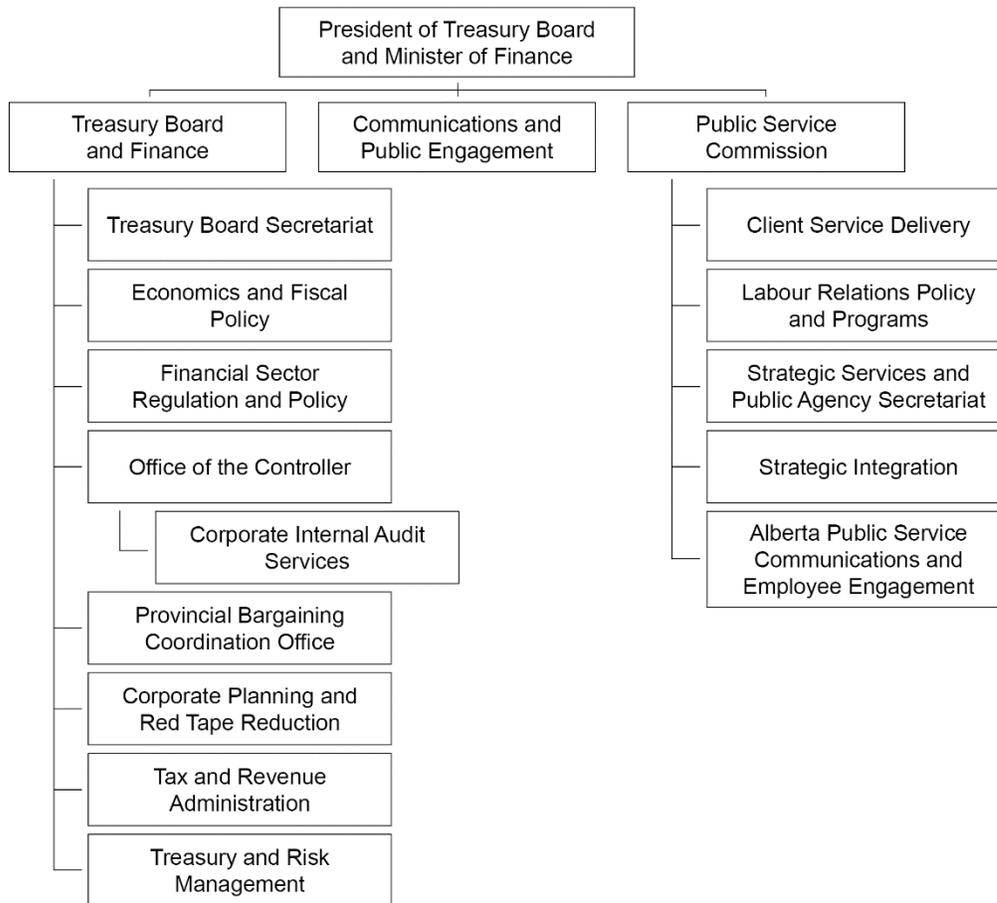
The Ministry of Treasury Board and Finance (TBF) is responsible for budget planning, financial management and economic analysis, and the administration of tax and revenue programs. TBF provides policy and regulatory oversight for Alberta's liquor, gaming, cannabis, financial, securities, insurance and pensions sectors. Through the Public Service Commission (PSC), TBF ensures a professional and non-partisan public service that serves Albertans. The ministry is also responsible for providing government communications, public relations and marketing services through Communications and Public Engagement (CPE).

TBF is committed to maintaining fiscal discipline and controlling spending to support the government's fiscal targets, and working closely with ministries to deliver on the commitments the government has made to Albertans, including:

- Supporting Alberta's Recovery Plan which aims to provide immediate relief for people, families, and businesses during and after the COVID-19 pandemic, build infrastructure, create an environment that attracts investment and job creators, and diversify Alberta's economy;
- Continuous review of government programs and services to eliminate waste, duplication and non-essential spending, and reduce red tape to make Alberta the freest and fastest moving economy in Canada;
- Negotiating a fair deal for Alberta within Canada;
- Continuous improvement of transparency and accountability in the financial planning and reporting processes;
- Reforming Alberta's automobile insurance system, informed by recommendations outlined in the report of the Automobile Insurance Advisory Committee;
- Meeting the government's commitments to implement Alberta's tax plan, including enacting the Job Creation Tax Cut and repealing Alberta's targeted tax credits;
- Extending the tourism levy to short-term rental operators in order to apply the levy more fairly across temporary accommodations; and
- Delivering effective, efficient communications between Albertans and the Government of Alberta.

TBF's core operations include:

- Monitoring the fairness, competitiveness, economic efficiency, and revenue stability of Alberta's tax system, and providing tax policy advice and administrative support to the government.
- Leading government's budgeting, financial planning and reporting, including the annual spending review to find savings and ensure that initiatives are aligned with government priorities.
- Implementing a rigorous capital spending framework to ensure predictable and sustainable funding, promote greater transparency, and mitigate risks.
- Modernizing policies, processes and structures to improve the efficiency and functionality of our government's finance and accounting systems.
- Working cooperatively with other jurisdictions to improve securities regulation in Canada and ensure a provincially-led regulatory system that meets the needs of Alberta market participants and investors.
- Providing timely and effective Human Resources (HR) services, and program and policy development, to enable the Alberta Public Service (APS) and agencies, boards and commissions (ABCs) to deliver high quality services to Albertans at a cost comparable to similar jurisdictions
- Providing a full-service communications and public relations office.



A more detailed description of TBF and its programs and initiatives can be found at: <https://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 making life easier for hard-working Albertans and job creators by reducing regulatory requirements by one-third by 2023, and eliminating administrative burden through more efficient processes. This work will improve service delivery for Albertans; foster economic growth, innovation and competitiveness; and create a strong and attractive investment climate.

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.

Outcome 1

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

Key Objectives

- 1.1 Lead government's red tape reduction efforts to remove unnecessary regulatory and administrative burdens on Albertans and businesses, while maintaining consumer, environmental, health and safety protections and fiscal accountability, and support economic recovery by reducing costs for business, eliminating regulatory barriers for job creators, attracting investment, and improving service delivery to Albertans
- 1.2 In response to the fiscal impacts of COVID-19, the decline in oil prices and global economic recession, make it as easy as possible for businesses to operate, grow, create jobs and drive Alberta's economy forward through the development and implementation of Alberta's Economic Relaunch Strategy (which includes sector strategies to support small and medium businesses) and the Alberta Recovery Plan, to ensure Alberta's economic diversification, growth and long-term economic success.

Initiatives Supporting Key Objectives

- \$2.4 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.
- In 2021-22, \$5.8 million is allocated to Fiscal Planning and Economic Analysis with Economics and Fiscal Policy (EFP). EFP provides analysis and advice on fiscal and economic issues as well as tax policy and revenue forecasting.

Performance Metrics

1.a Performance Measure: One-third red tape reduction by 2022-23

In 2019-2020, the Government of Alberta reduced red tape by 5.19 per cent by removing thousands of unnecessary regulatory requirements in policies, forms, regulations and legislation. TBF reduced red tape by 2.97 per cent in 2019-20.

Targets	2021-22	2022-23	2023-24
GoA	20%	33%	Net Zero Increase
TBF	20%	33%	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

This measure determines whether the long-term investment policy is achieving significant returns for Albertans. The performance of the five-year period ending in 2019-20 was 5.2 per cent which was lower than the target of 6.1 per cent, due primarily to the investment market impact of the COVID-19 global pandemic as well as large losses incurred by Alberta Investment Management Corporation's volatility strategy in 2019-20.

Targets	2021-22	CPI+4.5%	2022-23	CPI+4.5%	2023-24	CPI+4.5%
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Outcome 2

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

Key Objectives

- 2.1 Lead and implement changes to keep legislation, regulations and policies current and aligned with the red tape reduction initiative, including principles of regulatory efficiency, through:
 - a. Review of the *Gaming, Liquor and Cannabis Act*, supporting Regulation, and AGLC Handbooks;
 - b. Review of private sector pension legislation; and
 - c. Further red tape reduction associated with auto insurance reforms.

2.2 Support Alberta businesses by encouraging investments and improving access to capital with a flexible and responsive regulatory framework.

Initiatives Supporting Key Objectives

- In 2021-22, \$7.1 million is allocated to policy support and analysis for liquor, gaming, cannabis, insurance and private and public sector pension plans, as well as the regulation and supervision of loan and trust corporations, financial institutions, insurance companies and registered private and public sector pension plans.

Performance Metrics

2.a Performance Measure: Alberta incorporated insurance companies rated as stable by the Superintendent of Insurance

The 2019-20 ratio was 91 per cent, lower than the target of 100 per cent. (*Alberta incorporated insurance companies rated as stable by the Superintendent of Insurance*).

Targets	2021-22	100%	2022-23	100%	2023-24	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 HR services to support 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 needs of departments and reduce administrative burden.
- 3.2 Foster and promote a safe, diverse, inclusive and respectful work environment in the APS.
- 3.3 Provide leadership, resources and advice on board governance and evidence-based recruitment of qualified candidates to support accountability, efficiency and effectiveness in public agencies.
- 3.4 Continue to provide strategic negotiations and arbitration services, mandate development for bargaining compensation research and data analytics.

Initiatives Supporting Key Objectives

- In 2021-22, \$37.5 million is allocated to deliver direct 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 (ABCs).

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
Alberta	6.9	7.0	6.8	6.6
Canada Average	11.8	11.7	12.0	12.0

STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2021-22 Estimate	2022-23 Target	2023-24 Target
	2019-20 Actual	2020-21 Budget	2020-21 Forecast			
REVENUE						
Personal Income Tax	11,244,017	12,566,000	10,936,000	11,647,000	12,439,000	13,258,000
Corporate Income Tax	4,106,954	4,539,000	2,242,000	1,891,000	2,482,000	3,139,000
Other Taxes	3,196,950	3,156,000	2,778,000	2,988,000	3,127,000	3,230,000
Transfers from Government of Canada	2,011,552	1,760,000	3,397,845	1,797,000	1,848,000	1,909,000
Investment Income	2,475,592	2,254,248	2,077,789	1,850,015	1,947,400	2,081,443
Net Income from Commercial Operations	2,285,674	2,485,999	1,876,780	2,339,532	2,535,311	2,643,333
Premiums, Fees and Licences	175,181	222,231	174,595	195,072	201,444	214,006
AIMCo Investment Management Charges	386,489	538,032	433,314	578,511	590,462	584,583
Other Revenue	108,439	96,661	92,299	95,815	96,486	96,940
Ministry Total	25,990,848	27,618,171	24,008,622	23,381,945	25,267,103	27,156,305
Inter-Ministry Consolidations	(186,171)	(193,579)	(187,158)	(177,139)	(175,287)	(172,427)
Consolidated Total	25,804,677	27,424,592	23,821,464	23,204,806	25,091,816	26,983,878
EXPENSE						
Ministry Support Services	8,472	8,299	7,468	6,866	6,841	6,841
Treasury Board Secretariat	5,352	6,188	5,688	5,918	5,882	5,882
Fiscal Planning and Economic Analysis	5,596	5,970	5,970	5,842	5,808	5,808
Investment, Treasury and Risk Management	371,428	323,108	332,978	311,133	314,776	314,440
Office of the Controller	6,175	7,682	7,182	7,428	7,393	7,393
Tax and Revenue Management	46,283	46,778	43,978	45,689	45,524	45,524
Financial Sector and Pensions	180,491	185,723	182,463	186,230	187,338	189,022
Provincial Bargaining Coordination Office	2,042	3,426	3,426	3,360	3,342	3,342
Corporate Planning and Red Tape Reduction	1,936	3,483	3,483	2,433	2,419	2,419
Public Service Commission	69,634	67,486	63,486	63,126	62,991	62,991
Communications and Public Engagement	35,381	31,931	39,931	30,685	30,490	30,490
Gaming	42,533	39,600	31,200	38,800	43,800	48,600
AIMCo Investment Management Services	389,565	536,862	432,731	577,801	589,731	583,830
Carbon Tax - Consumer Rebates	160,459	7,000	20,000	5,000	3,000	-
Teachers' Pre-1992 Pensions - Payments	488,338	488,417	488,417	487,417	486,417	484,250
Motor Vehicle Accident Claims	32,038	30,813	30,813	30,748	30,735	30,735
Alberta Family Employment Tax Credit	160,265	40,929	45,000	-	-	-
Scientific Research and Experimental Development Tax Credits	81,356	68,000	75,000	4,000	-	-
Corporate Income Tax Allowance Provision	28,410	15,000	50,000	25,000	25,000	15,000
General Debt Servicing	1,284,639	1,181,808	1,297,400	1,587,075	1,796,950	1,893,450
Capital Debt Servicing	853,000	1,225,389	973,000	1,068,000	1,180,000	1,332,000
Change in Unfunded Pension Obligation	(218,113)	(269,000)	(126,000)	(242,000)	(250,000)	(259,000)
Contingency / Disaster and Emergency Assistance	-	750,000	64,856	750,000	750,000	750,000
Contingency - COVID-19	-	-	-	1,250,000	-	-
Contingency - Recovery Plan	-	-	-	500,000	-	-
Ministry Total	4,035,280	4,804,892	4,078,470	6,750,551	5,328,437	5,553,017
Inter-Ministry Consolidations	(188,972)	(194,554)	(192,897)	(191,773)	(192,042)	(188,943)
Consolidated Total	3,846,308	4,610,338	3,885,573	6,558,778	5,136,395	5,364,074
Net Operating Result	21,958,369	22,814,254	19,935,891	16,646,028	19,955,421	21,619,804

STATEMENT OF OPERATIONS ... continued

CAPITAL INVESTMENT

(thousands of dollars)	Comparable			2021-22 Estimate	2022-23 Target	2023-24 Target
	2019-20 Actual	2020-21 Budget	2020-21 Forecast			
Ministry Support Services	-	25	23	25	25	25
Financial Sector and Pensions	4,947	4,528	3,918	3,886	3,289	4,258
Public Service Commission	22	-	-	-	-	-
Communications and Public Engagement	5	-	-	-	-	-
AIMCo Investment Management Services	18,260	14,000	14,000	15,000	15,000	15,000
Consolidated Total	23,234	18,553	17,941	18,911	18,314	19,283