

Treasury

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2000 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at February 1, 2000 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

[original signed]

Stockwell Day, *Provincial Treasurer*
February 3, 2000

MISSION

To provide excellence in financial management, services and advice to achieve a healthy and sustainable financial condition for the province with the lowest possible taxes for Albertans.

VALUES AND PRINCIPLES

- Be respectful of clients and co-workers.
- Be professional and objective.
- Demonstrate integrity and a commitment to excellence.
- Be resourceful and innovative.

CORE BUSINESSES

1. Provide analysis and recommendations to the Provincial Treasurer and Treasury Board.
2. Maintain a framework that fosters government accountability.
3. Administer and collect tax revenue.
4. Manage the province's financial assets and liabilities.
5. Foster a fair and efficient financial marketplace.
6. Provide financial services through Alberta Treasury Branches, Alberta Municipal Financing Corporation and Alberta Pensions Administration Corporation.

GOALS FOR 2000-03

1. A healthy and sustainable financial position.
2. Appropriate financial and performance information available to allow Albertans to hold government accountable.
3. A fair, competitive and simple provincial tax system managed efficiently and effectively.
4. Investment returns maximized and borrowing costs minimized subject to acceptable risk.
5. An efficient, fair and competitive capital market and an efficient and fair regulatory environment for financial institutions and private pension plans.
6. Quality financial services to Albertans through Alberta Treasury Branches, Alberta Municipal Financing Corporation and Alberta Pensions Administration Corporation.

Note: The Treasury Ministry's Goals, Strategies, Outcomes and Performance Measures reflect the activities of Alberta Government Telephones Commission and its subsidiaries, Alberta Heritage Savings Trust Fund, Alberta Insurance Council, Alberta Municipal Financing Corporation, Alberta Pensions Administration Corporation, Alberta Securities Commission, Alberta Treasury Branches and its subsidiary, Alberta Heritage Foundation for Medical Research Endowment Fund, Alberta Heritage Scholarship Fund, Alberta Heritage Science and Engineering Research Endowment Fund, Alberta Risk Management Fund, Credit Union Deposit Guarantee Corporation and its subsidiary, Gainers Inc. and its subsidiaries and N.A. Properties (1994) Ltd. Additional details for the larger organizations are contained in the supplementary information to the Ministry Plan.

GOAL 1: A HEALTHY AND SUSTAINABLE FINANCIAL POSITION

Related Core Government Measures: Provincial Credit Rating, Accumulated Debt

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
<ul style="list-style-type: none"> • Pay down the province’s accumulated debt in accordance with the <i>Fiscal Responsibility Act</i>. Establish a prudent economic cushion in the fiscal plan that, if realized, can be used under the <i>Fiscal Responsibility Act</i> for paying down accumulated debt and in-year spending on revenue reduction initiatives. • Advise and support the Provincial Treasurer and Treasury Board on business planning and budgeting, economic and fiscal policies and prudent forecasts of fiscal and economic conditions. • In cooperation with Executive Council, coordinate an overall government business plan, including key government-wide performance measures. • In consultation with ministries, strengthen the planning, budgeting and reporting processes for infrastructure programs. • Develop and communicate common economic and financial assumptions for business planning across government. • Monitor achievement of business and fiscal plans and goals. • In consultation with ministries, establish standards, policies and guidelines for overall government that facilitate sound financial administration within ministries and reduce overlap and duplication. • With ministries, continue refining the three year business planning process and reporting, including the ongoing review of core businesses, shared services opportunities and other cross-government initiatives. 	<ul style="list-style-type: none"> • The province’s finances are in order and the debt burden for Albertans is reduced. • Ministry business plans and related performance measures are congruent with, and linked to, the overall government business plan and government performance measures. • The government fiscal plan is integrated with the business plans. • Financial plans, policies and laws that ensure Alberta’s finances are well managed. 	<ul style="list-style-type: none"> • Accumulated Debt Reduction; target: milestones as identified in the <i>Fiscal Responsibility Act</i>. • Alberta’s credit rating; target: best among the provinces. <p>To Be Developed:</p> <ul style="list-style-type: none"> • A measure that tracks Alberta’s wealth creation, achievement of fiscal sustainability and reduction in dependence on resource revenues.
<ul style="list-style-type: none"> • Refine and present Alberta’s position on federal-provincial fiscal arrangements to the federal government. The position includes working with other provinces and issuing joint provincial statements requesting equal treatment. 	<ul style="list-style-type: none"> • Alberta is treated equally. 	<ul style="list-style-type: none"> • Canada Health and Social Transfer from the federal government; target: per capita cash transfer equal to those of all other provinces.

Note: Key performance measures appear in bold throughout the goals section.

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
<ul style="list-style-type: none"> • Present Alberta's position on Employment Insurance to the federal government. 	<ul style="list-style-type: none"> • A stable and affordable Employment Insurance Fund: <ul style="list-style-type: none"> • Insurance benefits maintained. • Premiums reduced to long-term break-even level. • Separate Employment Insurance Fund and Employment Insurance policy returned to an insurance-based program. 	<ul style="list-style-type: none"> • Federal government aware of Alberta's position on Employment Insurance.
<ul style="list-style-type: none"> • A two-track approach to Canada Pension Plan reform: work together with the federal government and the other provinces to make further improvements to the Canada Pension Plan, and investigate the advantages and disadvantages of establishing an Alberta Pension Plan. 	<ul style="list-style-type: none"> • A Canada Pension Plan that has a sound governance structure, is affordable and viable over the long term and has public confidence. 	<ul style="list-style-type: none"> • Agreement by Finance Ministers on legislative amendments to the Canada Pension Plan Act at the end of the current renewal period December 2002.
<ul style="list-style-type: none"> • Work with the Local Authorities and Universities Academic Pension Plans to develop and implement new governance frameworks to make them more independent of government, and work with other public sector pension boards to improve their governance arrangements. 	<ul style="list-style-type: none"> • Better alignment of stakeholder interests and better accountability. 	<ul style="list-style-type: none"> • Separation of sponsor and trustee functions. • Less day-to-day involvement of the government in pension plan decisions.
<ul style="list-style-type: none"> • Work with the Management Employees Pension Plan Board to keep the Plan on a sound financial track. 	<ul style="list-style-type: none"> • More security for current and future pensioners. 	<ul style="list-style-type: none"> • Fully funded status as certified by an actuary.
<ul style="list-style-type: none"> • Control the cost of risk and increase accountability of departments and agencies for protecting public assets from accidental loss. 	<ul style="list-style-type: none"> • Public assets are protected from risk of significant accidental loss. 	<ul style="list-style-type: none"> • Condition of the Risk Management Fund; target: fund assets and liabilities balance. • Satisfaction of ministries with services provided; target: 4 out of 5 satisfied or very satisfied.

GOAL 2: APPROPRIATE FINANCIAL AND PERFORMANCE INFORMATION AVAILABLE TO ALLOW ALBERTANS TO HOLD GOVERNMENT ACCOUNTABLE

Related Core Government Measures: Provincial Credit Rating

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
<ul style="list-style-type: none"> • Provide reliable, relevant, understandable and comparable information about the government's: <ul style="list-style-type: none"> • plans and goals, • strategies to implement plans, • performance measures, • audited actual results achieved compared to plans, and • overall financial picture. 	<ul style="list-style-type: none"> • Public understanding of the government's performance and financial position. • Communication of clear, understandable and reliable information to the public so it may judge government performance and handling of government finances. 	<ul style="list-style-type: none"> • Portion of Albertans aware of government's financial performance in the past year; target: 80% of Albertans aware.
<ul style="list-style-type: none"> • Work with ministries to refine ministry responsibility and accountability for financial management, including the reporting of results and business outcomes at the ministry level. 	<ul style="list-style-type: none"> • Ministries responsible and accountable for their internal financial management. 	<ul style="list-style-type: none"> • Satisfaction of deputy heads with the government's accountability system; target: all satisfied or very satisfied.
<ul style="list-style-type: none"> • Work with ministries to improve information reported about costs of programs and outputs. 	<ul style="list-style-type: none"> • Ministries understand the cost of all services they provide. • The public and ministries can consider cost information in assessing performance results. 	<ul style="list-style-type: none"> • Significant program costs are disclosed in the ministries' consolidated financial statements; target: a positive observation or a lack of criticism from the Auditor General respecting cost allocations attributable to ministries.

GOAL 3: A FAIR, COMPETITIVE AND SIMPLE PROVINCIAL TAX SYSTEM MANAGED EFFICIENTLY AND EFFECTIVELY

Related Core Government Measures: Taxation Load, Job Growth

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
<ul style="list-style-type: none"> Ensure that Alberta's personal tax system promotes self-reliance and wealth creation, and is fair to Albertans. Implement the new personal income tax system in 2001. 	<ul style="list-style-type: none"> A tax system that encourages Albertans to work and that supports families. Higher employment participation rates.¹ 	<ul style="list-style-type: none"> Provincial tax load for a family of 4; target: lowest in Canada. Personal income tax load; target: lowest in Canada. Employment participation rate; target: highest in Canada.
<ul style="list-style-type: none"> Enhance the competitiveness of Alberta's corporate tax systems (including income, capital, insurance, commodity and property taxes) with those of other jurisdictions. Undertake a business tax review to ensure business taxes are competitive. Implement government approved changes to the Alberta Royalty Tax Credit Program. 	<ul style="list-style-type: none"> A competitive corporate tax regime that attracts business and investment. A better targeted royalty program which is simpler to administer. 	<ul style="list-style-type: none"> Provincial tax load on businesses; target: the lowest in Canada. Per cent annual growth in business registrations; target: 3%. Job growth; target: 155,000 new jobs from December 1996 to December 2000, followed by a target of 295,000 jobs in the six years ending December 2005. Overall compliance with Alberta Royalty Tax Credit program; target: 90%. <p>To Be Developed</p> <ul style="list-style-type: none"> A measure to compare Alberta's tax competitiveness to major international competitors.
<ul style="list-style-type: none"> Maintain an effective and affordable tax system through protection of the tax base. 	<ul style="list-style-type: none"> High rate of voluntary compliance with tax programs. Low level of outstanding disputes. Fair and consistent treatment of taxpayers. 	<ul style="list-style-type: none"> Voluntary compliance rate; target: 97%.
<ul style="list-style-type: none"> Reduce the cost of tax compliance to taxpayers by simplifying legislation and systems. Reduce the cost of tax administration to government by expanding the use of E-Commerce. Work with other provinces to harmonize tax programs and processes. 	<ul style="list-style-type: none"> Low costs of tax administration for both taxpayers and government. Increased number of business entities utilizing E-Commerce for tax compliance. Increased harmony of tax programs between governments and reduced overlap and duplication. 	<ul style="list-style-type: none"> Satisfaction with tax administration; target: 85%. Satisfaction with compliance costs; target: 80%. Costs per \$100 collected; target: lowest in Canada. Use of E-Commerce; target: 15,000 Alberta businesses by the end of the 2000 tax year.

¹ The employment participation rate excludes the value of unpaid work.

GOAL 4: INVESTMENT RETURNS MAXIMIZED AND BORROWING COSTS MINIMIZED SUBJECT TO ACCEPTABLE RISK

Related Core Government Measures: Taxation Load, Provincial Credit Rating, Accumulated Debt

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
<ul style="list-style-type: none"> • Implement the restructured Alberta Heritage Savings Trust Fund. • Satisfy client needs (e.g. Heritage Fund, public sector pension funds) by providing a wide range of investment products. • Analyze new products and implement those that contribute to investment or liability objectives. • Continue to use a mix of direct internal investment and external investment management firms. • Review each client relationship to ensure that the mix of products is consistent with the client's investment objective and risk profile. • Continue to improve the quality of investment performance measurement and client reporting. • Enhance the management of risk by implementing new monitoring and analytical tools. • Maintain Treasury's status as a cost-effective provider by investing in staff and investment information systems. 	<ul style="list-style-type: none"> • Efficient and prudent management of the province's financial assets. • Efficient and prudent management of assets of other funds (e.g., public sector pensions funds) invested by the Provincial Treasurer. 	<ul style="list-style-type: none"> • Annualized market value rates of return (ROR) measured against benchmarks established by clients. <p>Heritage Fund: Total Fund: ROR greater than the cost of the Province's debt over a four year period.</p> <p>Endowment Portfolio: ROR greater than a benchmark portfolio (details in Performance Measure section).</p> <p>Transition Portfolio: ROR greater than a benchmark portfolio (details in Performance Measure section).</p> <p>Returns will also be compared to other major Canadian investment funds and to the rate of inflation.</p>
<ul style="list-style-type: none"> • Monitor international financial markets to identify opportunities to borrow at an all-in cost below the cost of issuing in the Canadian capital markets. • Ensure regulatory and legal documents/processes necessary to issue debt in various jurisdictions are updated, as necessary. • Monitor domestic market for opportunities to issue privately placed debt at an all-in cost savings relative to public debt issues. • Improve the information provided to investors in Province of Alberta debt issues and to credit rating agencies, in cost effective ways. • Concentrate cash and facilitate receipts and disbursements via efficient systems and banking arrangements using the latest technological developments in E-commerce. 	<ul style="list-style-type: none"> • Low borrowing costs. • Investors and credit rating agencies understand the province's financial position. • All cash balances invested. 	<ul style="list-style-type: none"> • Cost savings compared to Canadian public debt issues of comparable term. • Market Spreads - Alberta's cost of borrowing, compared to the federal government's cost; target: the lowest spread of any province. • Satisfaction of investors and credit rating agency personnel; target: 4 out of 5 satisfied or very satisfied. • Rate of return on Consolidated Cash Investment Trust Fund; target: return equal to or greater than ScotiaMcLeod 91 Day Treasury Bill Index.
<ul style="list-style-type: none"> • Sell and wind-up non-core financial assets including those of the AGT Commission and N.A. Properties. • Manage contingent liabilities under loan guarantees. 	<ul style="list-style-type: none"> • Increased focus on market investment activity. 	<ul style="list-style-type: none"> • Dollars received; target: better than book value. • Assets remaining to be disposed of; target: zero. • Amount of contingent liabilities under administration; target: zero, excluding ongoing programs.

GOAL 5: AN EFFICIENT, FAIR AND COMPETITIVE CAPITAL MARKET AND AN EFFICIENT AND FAIR REGULATORY ENVIRONMENT FOR FINANCIAL INSTITUTIONS AND PRIVATE PENSION PLANS

Related Core Government Measures: GDP, Job Growth

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
<ul style="list-style-type: none"> • Improve co-operation among Alberta regulatory agencies (Alberta Treasury, Alberta Insurance Council, Credit Union Deposit Guarantee Corporation and Alberta Securities Commission). • Provide input to federal financial sector initiatives. • Participate in an inter-provincial forum to co-ordinate securities, private pension plan and financial institution regulation of market conduct, including the regulation of financial planners. • Continually assess the impact on regulation of the electronic distribution of financial products and other market innovations. • Work with industry and stakeholders to implement a privacy code for personal information held by financial institutions, private pension plans and intermediaries. • Assist consumers with complaints about financial services. • Allow financial institutions to meet regulatory filing requirements electronically. • Review the insurance contracts provisions of the Insurance Act and propose amendments. • Review opportunities to reform automobile insurance tort provisions. 	<ul style="list-style-type: none"> • An efficient and fair regulatory environment for financial services. • Unbiased mechanisms for consumers to seek redress. • An efficient capital market in Alberta and confidence in that market. • A regulatory environment that reflects today's rapidly changing financial market place. • Fair compensation for claimants and more stable automobile insurance premiums. 	<ul style="list-style-type: none"> • Alberta's market share of investment capital maintained. • Satisfaction of financial institutions with the efficiency and fairness of the regulatory environment; target: 4 out of 5 satisfied or very satisfied. Stakeholders will be surveyed commencing 2001. • Satisfaction of consumers with the quality of assistance, advice and information provided. (form and frequency of survey under review) • Those reform proposals accepted by government are implemented.
<ul style="list-style-type: none"> • Monitor and enforce legislation regarding the solvency and governance of Alberta incorporated credit unions, insurers, loan and trust corporations, private pension plans and Alberta Treasury Branches. 	<ul style="list-style-type: none"> • Sound business practices by provincially incorporated financial institutions and pension plans. 	<ul style="list-style-type: none"> • Percentage of Alberta credit unions that have the legislated minimum capital requirements (greater of 4% of total assets excluding SC Financial Ltd. Debentures and 8% of risk weighted assets); target: 100%. • Equity in the Credit Union Deposit Guarantee Corporation's Deposit Guarantee Fund as a percentage of credit union assets; target: 1.1% for 2000.
<ul style="list-style-type: none"> • Develop a risk assessment system to help identify pension plans needing special attention and assistance to maintain registered status. 		<ul style="list-style-type: none"> • Percentage of private sector defined benefit pension plans having solvency ratios equalling or exceeding 0.9. Target: 85% of registered defined benefit pension plans will have solvency ratios that equal or exceed 0.9. • Compliance problems in "at risk" pension plans resolved within acceptable periods of time (to be developed).

GOAL 6: QUALITY FINANCIAL SERVICES TO ALBERTANS THROUGH ALBERTA TREASURY BRANCHES, ALBERTA MUNICIPAL FINANCING CORPORATION AND ALBERTA PENSIONS ADMINISTRATION CORPORATION

Related Core Government Measures: GDP, Job Growth

STRATEGIES/OUTPUTS	OUTCOMES	PERFORMANCE MEASURES/TARGETS
<ul style="list-style-type: none"> Provide financial services through Alberta Treasury Branches based on sound banking and business principles to all Albertans with a focus on independent business, personal and agri-industries lending. 	<ul style="list-style-type: none"> Personalized financial services to Albertans throughout the province. Profitable operation of Alberta Treasury Branches. 	<ul style="list-style-type: none"> Meet and exceed customer expectations in its three target markets (independent business, personal and agri-industries lending). Achieve, over time, profitability, efficiency and loan loss ratios comparable to the major banks.
<ul style="list-style-type: none"> Lend to local authorities for capital projects at the lowest possible cost, consistent with the viability of the Alberta Municipal Financing Corporation (AMFC). Consult with stakeholders and reform AMFC corporate governance where appropriate. 	<ul style="list-style-type: none"> Access for local authorities to financing at or near the province's cost of borrowing. Improved corporate governance. 	<ul style="list-style-type: none"> Alberta local authorities' cost of borrowing from AMFC is lowest among Canadian municipalities. Satisfaction of local authorities with lending policies and efficiency of AMFC; target: 4 out of 5 satisfied or very satisfied. Local authorities will be surveyed commencing in 1999-2000.
<ul style="list-style-type: none"> Provide quality pension administration services to Alberta's public sector pension employees and employers and to the boards of those plans through Alberta Pensions Administration Corporation at the lowest possible cost. 	<ul style="list-style-type: none"> Accurate and timely payment of pension benefits. Timely, accurate and understandable pension information provided to employees, employers and boards. 	<ul style="list-style-type: none"> Satisfaction of client employees and employers with products and services; target: 4 out of 5 satisfied or very satisfied.

KEY PERFORMANCE MEASURES

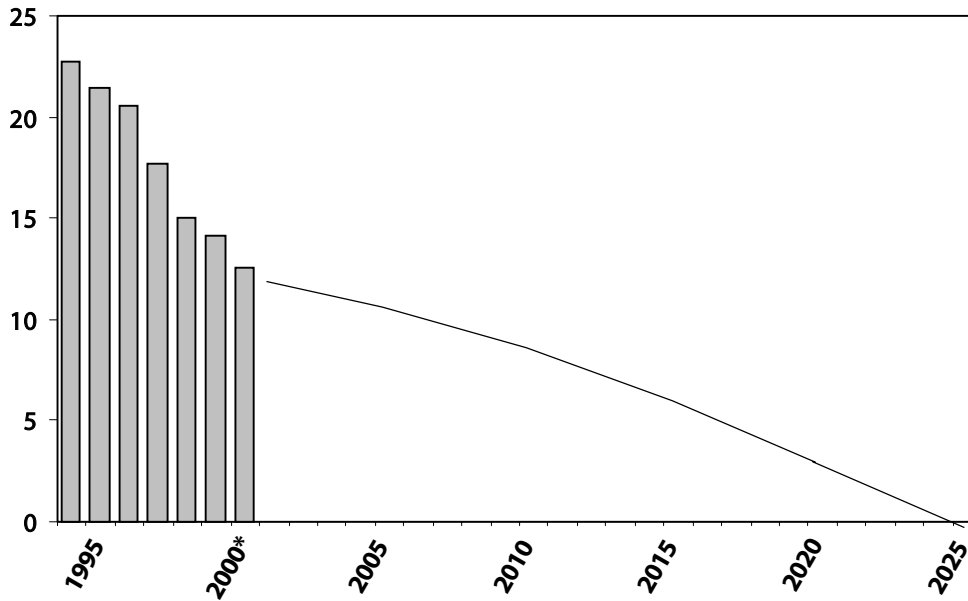
ACCUMULATED DEBT

Accumulated Debt is an indicator of the financial strength of the province and the long-term performance of the government. It is compared against the targets set out in the *Fiscal Responsibility*

Act and includes the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation and the government's liability for school construction debt.

ACCUMULATED DEBT

(billions of dollars)



* Forecast accumulated debt at March 31, 2000.

Source: Alberta Treasury, Budget 2000

PUBLIC AWARENESS OF GOVERNMENT FINANCIAL PERFORMANCE

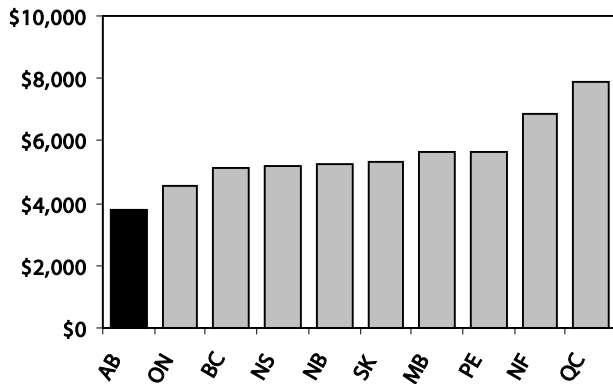
This measures the portion of Albertans aware of the government's financial performance in the past year. The target is 80% of Albertans.

Date of Survey	% Awareness
November 1995	34%
October 1996	66%
October 1997	72%
September 1998	69%
December 1999	70%

TAXATION LOAD ON A FAMILY OF FOUR (TWO CHILDREN)*

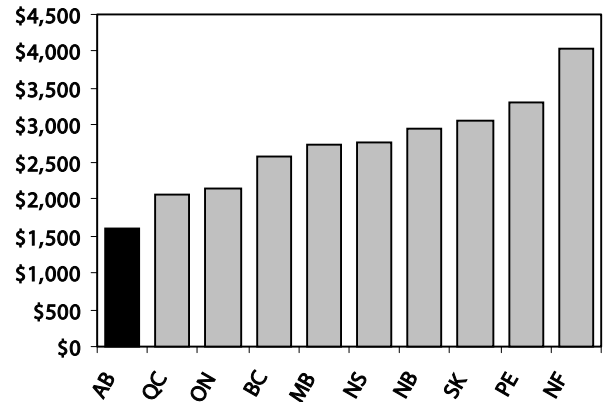
This measure compares typical taxes payable, including provincial income, sales, payroll, fuel and tobacco taxes (excluding federal taxes), and health care insurance premiums payable by a family with two children earning \$30,000, \$55,000 and \$100,000. The target is to have the lowest provincial tax load for a family of four in Canada.

FAMILY EARNING \$55,000 Taxes and Health Care Insurance Premiums
(Two-income family with two children)

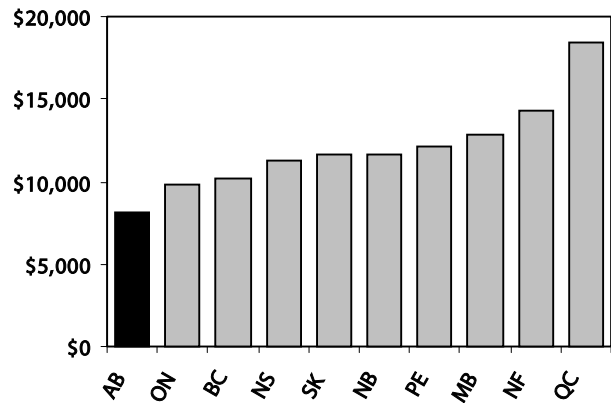


* as of February 1, 2000
Source: Alberta Treasury

FAMILY EARNING \$30,000 Taxes and Health Care Insurance Premiums
(One-income family with two children)



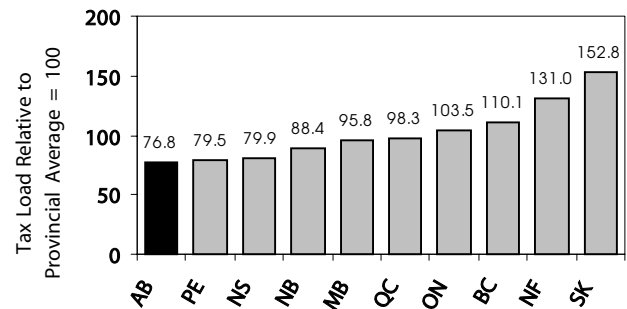
FAMILY EARNING \$100,000 Taxes and Health Care Insurance Premiums
(Two-income family with two children)



TAXATION LOAD ON BUSINESSES

This measure compares provincial tax load on businesses and includes business income taxes, capital taxes, and insurance corporation taxes. The target is to have the lowest provincial tax load on businesses in Canada.

PROVINCIAL TAX LOAD ON BUSINESSES 1999-2000
(% of provincial average)



Source: Federal Department of Finance, Second Estimate, October 1999

ALBERTA HERITAGE SAVINGS TRUST FUND

TOTAL FUND

The market value rate of return of the Fund, which includes income and realized and unrealized capital gains or losses, is targeted to be at least equal to the cost of the Province's Canadian dollar debt portfolio measured on an equivalent basis.

RETURN ON COMBINED PORTFOLIO

(Period Ending December 31, 1999)

	Annualized Return		
	1 Year	2 Year	3 Year
Combined Portfolio			
Transition/Endowment	7.0%	7.6%	7.1%
Cost of Canadian Dollar Debt Portfolio	2.0%	4.4%	n/a

TRANSITION/ENDOWMENT PORTFOLIOS

The market value rate of return of each Portfolio, which includes income and realized and unrealized capital gains or losses, is targeted to exceed the rate of return, over a four-year period, of a hypothetical benchmark portfolio designed especially for each Portfolio.

TRANSITION PORTFOLIO PERFORMANCE

(Period Ending December 31, 1999)

	Annualized Return		
	1 Year	2 Year	3 Year
Transition Portfolio	2.0%	4.5%	4.6%
Transition Benchmark*	3.5%	4.6%	4.4%

* 50% Scotia Capital Market 91-day T-Bill Index and 50% Scotia Capital Market Short-term Bond Index.

Note: The one-year performance was negatively impacted by a recent approved change in the benchmark, but the more important long term performance still exceeds the new benchmark.

ENDOWMENT PORTFOLIO PERFORMANCE

(Period Ending December 31, 1999)

	Actual Fund Market Return				Benchmark Portfolio Return				
	Weightings at 31-Dec-99	1 Year	2 Year	3 Year	Index Weight	1 Year	2 Year	3 Year	
Short-term Fixed Income	4.2%	5.2%	5.1%	4.5%	SCM T-Bills Index	3%	4.7%	4.7%	4.2%
Long-term Fixed Income	32.9%	-0.9%	3.9%	5.2%	SCM Universe Index	37%	-1.1%	3.9%	5.8%
Canadian Equities	24.9%	25.4%	12.4%	14.6%	TSE 300 Index	23%	31.7%	13.8%	14.2%
Foreign Equities	31.6%	29.4%	27.2%	n/a	MSCI World Index (excluding Canada)	30%	17.5%	25.6%	24.1%
Real Estate	6.4%	7.5%	9.9%	n/a	Russell Index*	7%	12.3%	14.2%	15.7%
Total Portfolio	100%	14.8%	12.4%	12.5%		100%	12.7%	11.7%	12.3%

*Estimate, final numbers to come from Russell Canada

INVESTMENT CAPITAL RAISED IN ALBERTA

This measure provides information on the value of investment capital raised in Alberta compared to the total value of investment capital raised in Canada. The target is to maintain Alberta's market share.

INVESTMENT CAPITAL RAISED

(\$ billions)

	1996-97	1997-98	1998-99
Alberta - capital raised	\$7.3	\$9.7	\$8.6
Canada - capital raised	\$86.5	\$109.7	\$91.5
Percent of capital raised in Alberta	8.4%	8.8%	9.4%

Ministry Income Statement

(thousands of dollars)

	Comparable 1998-99 Actual	Comparable 1999-2000 Budget	Comparable 1999-2000 Forecast	2000-01 Estimates	2001-02 Target	2002-03 Target
REVENUE						
Internal Government Transfers	200	18,396	68,396	50,523	228,344	244,028
Personal and Corporate Income Taxes	6,259,679	6,078,553	6,540,206	6,608,764	6,743,818	7,125,371
Other Taxes	1,065,858	1,122,004	1,093,832	1,125,758	1,154,328	1,184,436
Transfers from Government of Canada	3,692	3,883	3,883	3,883	3,883	3,883
Investment Income	1,627,806	1,408,965	1,642,063	1,474,884	1,402,991	1,350,714
Premiums, Fees and Licences	13,076	13,652	30,835	26,605	29,451	32,480
Net Income from Commercial Operations	124,376	98,016	175,640	118,683	139,168	170,687
Other Revenue	33,759	26,801	36,552	34,829	33,380	34,469
MINISTRY REVENUE	9,128,446	8,770,270	9,591,407	9,443,929	9,735,363	10,146,068
EXPENSE						
Program						
Fiscal Planning and Accountability	8,699	8,810	9,336	9,652	10,397	10,614
Liability Management	1,880	1,915	1,891	1,945	2,005	2,060
Tax and Revenue Collection	113,903	36,708	37,137	38,974	40,467	41,074
Investment Management	56,818	65,613	66,369	84,915	103,214	108,006
Banking Arrangements	1,117	1,269	2,080	1,443	1,594	1,642
Regulation of Capital Markets	10,092	11,696	11,477	13,086	15,279	15,898
Regulation of Financial Institutions and Insurance Companies	3,140	3,342	3,223	3,821	3,909	4,059
Government Risk Management and Insurance	5,914	6,765	6,828	7,621	7,778	7,782
Pensions	81,844	92,887	76,239	84,109	80,269	81,088
Financial Assistance to Farmers and Small Businesses	6,913	4,700	4,300	2,400	1,500	900
Financing to Local Authorities	463,079	438,843	436,587	399,155	332,477	282,206
Valuation Adjustments and Other Provisions	(5,628)	13,000	10,900	2,300	2,300	2,300
Program Expense*	747,771	685,548	666,367	649,421	601,189	557,629
Debt Servicing Costs						
Department Voted	111,715	101,033	101,039	90,586	80,438	70,709
Department Statutory	1,257,302	980,000	930,000	881,000	846,000	851,000
Ministry Debt Servicing Costs	1,369,017	1,081,033	1,031,039	971,586	926,438	921,709
MINISTRY EXPENSE	2,116,788	1,766,581	1,697,406	1,621,007	1,527,627	1,479,338
Gain (Loss) on Disposal of Capital Assets	(138)	-	-	-	-	-
NET OPERATING RESULT	7,011,520	7,003,689	7,894,001	7,822,922	8,207,736	8,666,730

* Subject to the Fiscal Responsibility Act. Program expense includes the province's cash payments towards the unfunded pension liability (which will be eliminated under a separate legislated plan). Program expense does not include the annual change in the unfunded pension obligations, which is a non-cash expense that does not affect borrowing requirements. The annual changes in the Ministry of Treasury's unfunded pension obligations are:

(56,000)	(69,000)	(121,000)	(22,000)	(22,000)	(9,000)
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Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1998-99 Actual	Comparable 1999-2000 Budget	Comparable 1999-2000 Forecast	2000-01 Estimates	2001-02 Target	2002-03 Target
Ministry Revenue	9,128,446	8,770,270	9,591,407	9,443,929	9,735,363	10,146,068
<i>Inter-ministry consolidation adjustments</i>	(135,782)	(137,099)	(186,369)	(176,000)	(346,434)	(355,957)
Consolidated Revenue	8,992,664	8,633,171	9,405,038	9,267,929	9,388,929	9,790,111
Ministry Program Expense	747,771	685,548	666,367	649,421	601,189	557,629
<i>Inter-ministry consolidation adjustments</i>	(19,229)	(23,599)	(24,195)	(24,742)	(25,570)	(25,812)
Consolidated Program Expense	728,542	661,949	642,172	624,679	575,619	531,817
Ministry Debt Servicing Costs	1,369,017	1,081,033	1,031,039	971,586	926,438	921,709
<i>Inter-ministry consolidation adjustments</i>	(121,014)	(112,274)	(110,948)	(118,635)	(111,320)	(105,217)
Consolidated Debt Servicing Costs	1,248,003	968,759	920,091	852,951	815,118	816,492
Consolidated Expense	1,976,545	1,630,708	1,562,263	1,477,630	1,390,737	1,348,309
Gain (Loss) on Disposal of Capital Assets	(138)	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	7,015,981	7,002,463	7,842,775	7,790,299	7,998,192	8,441,802