

PROVINCE OF SASKATCHEWAN



10-11

PLAN FOR 2010-11

MINISTRY OF FINANCE

MINISTRY PLAN FOR 2010-11

Statement from the Minister



I am pleased to present the Ministry's Plan for the upcoming year, which is in alignment with Government's direction for 2010-11.

We are meeting the challenge of today's fiscal environment with a plan that is balanced, forward-looking, and responsible. Our efforts will be devoted to delivering needed public services in a timely, efficient manner that maximizes value to taxpayers.

I accept responsibility for furthering Government's commitments while ensuring the Ministry is managed with integrity and professionalism, with a commitment to Government's corporate values and principles. Examining programs and services to ensure the most effective and efficient delivery possible is a key priority for all ministries and an activity that will be reported on as results are achieved.

I will report on the progress made toward this Plan, within the financial parameters provided to my Ministry, in the Ministry's annual report.

*The Honourable Rod Gantfoer
Minister of Finance*

Response to Government Direction

Ministry Plans for 2010-11 align with Government's **vision for a secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing opportunity for a high quality of life for all**. Government's vision, goals, and priorities for the upcoming year are described in the ***Government Direction for 2010-11: Balanced. Forward-Looking. Responsible.***

Government's Plan and Budget for 2010-11 are about finding balance: responsibly managing expenditures, ensuring a solid revenue base, minimizing debt levels, and ensuring everyone can benefit from the province's economic prosperity.

To maintain the province's economic momentum, steps need to be taken to slow the growth in government expenditures. Direction has been provided to ministries to find ways to improve the effectiveness and efficiency of government's programs and services and to ensure the best use of public funds. Efforts will focus on responsible financial management and innovative solutions to improve services to the public while reducing government's overall footprint.

Similar to the ministry plans presented last year, the Plan for 2010-11 communicates a high-level framework for the Ministry's key activities and identifies how the Ministry works to support Government's goals and priorities.

Mission Statement

Provide expert economic, financial, and fiscal policy advice and professional services in the management and control of the Government's revenues, expenditures, and financial assets and liabilities.

Strategies and Actions

Government Goal – Economic Growth

Sustain **Economic Growth** for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.

Strategy

Support government's priorities through a sound financial plan

Key 2010-11 Actions

- Examine expenditures to ensure they align with government's priorities and that programs are economical, efficient, and effective.
- Review provincial tax policies to ensure the tax system is fair, adequate, and competitive.
- Support the Province in the negotiation and approval of major intergovernmental fiscal transfers.
- Issue timely economic and fiscal forecasts, reports and analysis, as part of the annual planning, budget, and accountability processes.
- Optimize revenue to the Province through fair policies and systems to ensure greater voluntary payment of and compliance with taxes owing to the Province.

Government Goal – Security

Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.

Strategy

Key 2010-11 Actions

Assess Saskatchewan's tax system to ensure it is competitive and attracts and retains businesses, families, and individuals

- Review Saskatchewan's competitiveness respecting personal and business taxes, including working with Enterprise Saskatchewan on future tax policy endeavours in relation to the distribution of tax among taxpayers and competitiveness.
- Monitor internal and external pressures on the whole provincial tax system and analyze the effects those pressures may have on the fairness, competitiveness, and sustainability of the tax system.

Assess pension availability for Saskatchewan workers to ensure adequate retirement incomes

- Review, with federal and provincial governments, Canada's current retirement income system and assess the implications of a broad range of ideas that have been put forward to improve retirement security for all Canadians and report to national Finance Ministers in 2010.

Government Goal – Promises

Keep Government's **Promises** and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Strategy

Key 2010-11 Actions

Ensure a sound financial management framework is in place across government

- Ensure government-wide financial management and accounting policies and procedures are current in accordance with Public Sector Accounting Board (PSAB) pronouncements.
- Develop and deliver financial management fundamentals training for managers and employees to build financial management capacity in the public service.
- Assess the internal controls of the Government's financial systems and assist in the development and implementation of improvements where required.
- Ensure legislated spending limits of the Government are not exceeded.

Manage government debt in an efficient and cost-effective manner

- Monitor domestic and international capital markets to identify and take advantage of opportunities to raise capital to meet government and Crown requirements.
- Service outstanding debt ensuring the timely and accurate payment of interest and principal.
- Meet reporting requirements of international regulatory agencies through timely development and filing of financial disclosure documents.
- As directed by Treasury Board, implement the transfer of budget surplus funds in accordance with *The Growth and Financial Security Act*.
- Maximize the return on investment of sinking fund and Growth and Financial Security Fund monies through sound investment decisions carried out pursuant to the investment policy guidelines of the two funds.
- Provide cash management services for the General Revenue Fund (GRF), Crown corporations, and other government agencies.
- Maintain good working relationships with credit rating agencies to ensure accurate information is utilized in the analysis of the Province's creditworthiness.

Provide excellent service to stakeholders

- Make on-going improvements to the Saskatchewan Electronic Tax Services (SETS) to satisfy our clients' needs for fast, efficient, and user-friendly electronic reporting and remitting of provincial commodity tax returns. In addition, continue to promote the use of electronic filing options to raise public awareness and to reduce the cost of program administration.
- As part of the Taxpayer Service Commitments and Standards Code, continue to encourage open communication with various client groups to address problems, issues, and identify solutions within the tax system.
- Provide quality service to pension and benefit plan supervisory boards, and plan members.

Strategy

Key 2010-11 Actions

Demonstrate leadership for good governance, transparency, and accountability across government

- Ensure *The Growth and Financial Security Act* requirements are met by:
 - ~ providing decision-makers with revenue and expenditure projections on a timely basis;
 - ~ reviewing programs and expenditures; and,
 - ~ monitoring the size of the public service.
- Monitor and provide guidance to ministries to ensure compliance with the Government's accountability framework.
- Provide guidelines, training, tools, and supports to improve system-wide capacity for strategic planning, performance measurement, and reporting.
- Provide information on Government's current financial position by issuing timely quarterly financial reports to the public.
- Prepare timely, reliable, and relevant GRF and Summary Financial Statements (SFS). This includes items such as preparing statements in accordance with PSAB standards, and including school boards in the SFS in 2009-10 without an audit qualification.
- Provide input into the activities of Canadian and international accounting standard setting bodies.
- Review and approve financial statements of Treasury Board Crowns and agencies.
- Work with ministries and the federal government to develop fair and effective federal-provincial agreements that address common interests.
- Provide analysis and advice on public sector bargaining issues and compensation strategies.

Improve the effectiveness and efficiency of the Ministry's programs and services so as to ensure the best use of public funds

- Implement a management practice of assessment and continuous improvement to ensure a robust, objective, and multi-year assessment function.
- Investigate the feasibility of an electronic document and record management system to improve customer service and reduce administrative effort.
- Review alternatives for implementing the Enterprise Revenue Management plan, which could provide a single point of contact for clients to do business across government with respect to paying taxes and fees.
- Increase direct deposit utilization and reduce number of advices printed and distributed by offering e-mailed advices to suppliers.

Explore taxation agreements that mutually benefit First Nations and the Province

- Explore taxation agreements with interested First Nations that mutually benefit First Nations and the Province.
- Build on the original real-time reporting pilot project by expanding to additional equipment vendors and additional on-reserve stores.

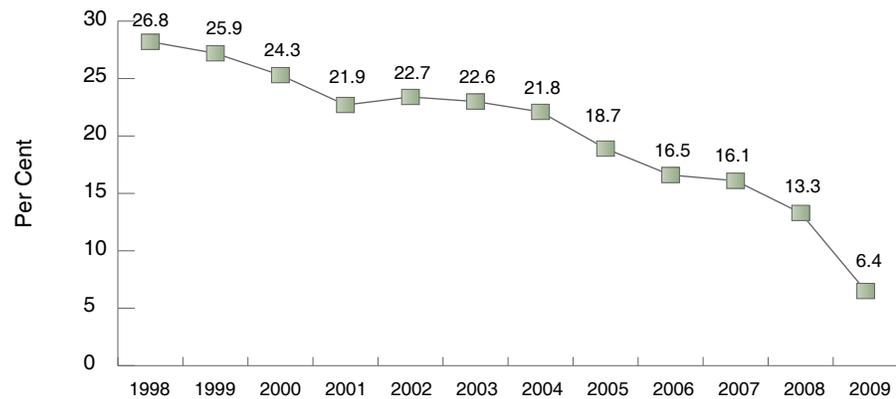
Performance Measures

The Ministry of Finance has provided two broad categories of performance measures in its plan. The first set is a select group of government-wide indicators while the second set is a grouping of Ministry specific measures.

Measure

Baseline / Trend Line Information

Government debt as a percentage of Gross Domestic Product (GDP) (Debt to GDP Ratio)



Source: Saskatchewan Public Accounts and Saskatchewan Provincial Economic Accounts

Measure Description

This measure is of interest internally, to the Ministry of Finance and to Government, as well as externally, to investors and credit rating agencies. A decreasing ratio indicates a declining drain on economic resources to service and repay debt and an associated increase in the fiscal flexibility of the Province.

Investor confidence is influenced by this ratio because it provides a measure of the Province's debt relative to the size of the economy. One facet of the Government's financial plan is to manage Government debt levels.

At March 31, 2009, the Government debt to GDP ratio was 6.4 per cent, a drop of 6.9 percentage points from the March 31, 2008 level of 13.3 per cent. This is the lowest debt to GDP ratio since March 31, 1984.

This ratio is influenced by the state of the global, North American, and Canadian economies, as well as the level of government debt.

This ratio is calculated by dividing GDP for the previous calendar year by the level of government debt at March 31. Debt is gross debt net of sinking funds. Gross debt is the amount owed directly to lenders and sinking funds are funds set aside for the repayment of that debt. Government debt is debt borrowed to finance government programs as opposed to debt borrowed for, and repayable by, Crown corporations. GDP is the total value of all goods and services produced in the economy. Nominal GDP is used for this calculation.

Measure

Baseline / Trend Line Information

Government credit ratings

Jurisdiction	Rating Agency		
	Moody's	Standard & Poor's	DBRS
British Columbia	Aaa	AAA	AA(high)
Alberta	Aaa	AAA	AAA
Saskatchewan	Aa1	AA+	AA
Manitoba	Aa1	AA	A(high)
Ontario	Aa1	AA-	AA(low)
Quebec	Aa2	A+	A(high)
New Brunswick	Aa2	AA-	A(high)
Nova Scotia	Aa2	A+	A*
Prince Edward Island	Aa2	A	A(low)
Newfoundland and Labrador	Aa2	A*	A
Canada	Aaa	AAA	AAA

**positive outlook or trend*

Measure Description

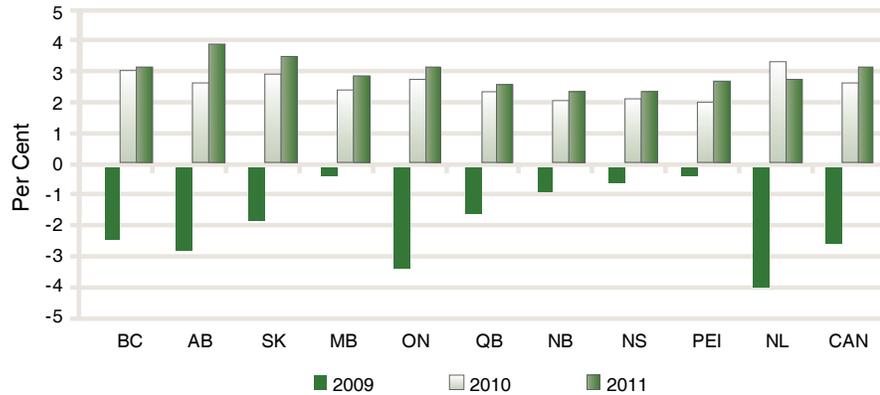
A credit rating is an independent evaluation by a recognized, objective, agency of a borrower's willingness and ability to service and repay debt. This measure is of interest to the Ministry of Finance and to Government, as well as to investors. Investors rely on credit ratings when making investment decisions. Many investors have guidelines that are based on credit ratings (e.g., must purchase bonds rated "AA" or higher). Therefore, a borrower's credit rating will impact the availability of credit, both in terms of the number of investors and the pool of funds it can tap. Typically, the higher the credit rating, the lower the risk to the investor and the less the issuer will have to pay in borrowing costs.

Saskatchewan's credit rating ranks well when compared to other Canadian provinces. All credit rating agencies now rate the province at the "AA" level. This is extremely important to international investors, many of whom have a "AA" credit rating requirement for investment.

Measure

Private sector forecasts of real GDP growth

Baseline / Trend Line Information



Source: IHS Global Insight, Conference Board of Canada, Centre for Spatial Economics and all of the major Canadian banks.

Measure Description

This measure is of interest internally, to the Ministry of Finance and to Government, as well as externally. Private sector forecasts of real GDP growth show how the private sector expects the Saskatchewan economy to perform relative to other provincial economies. Percentages considered here are the average of private sector forecasts.

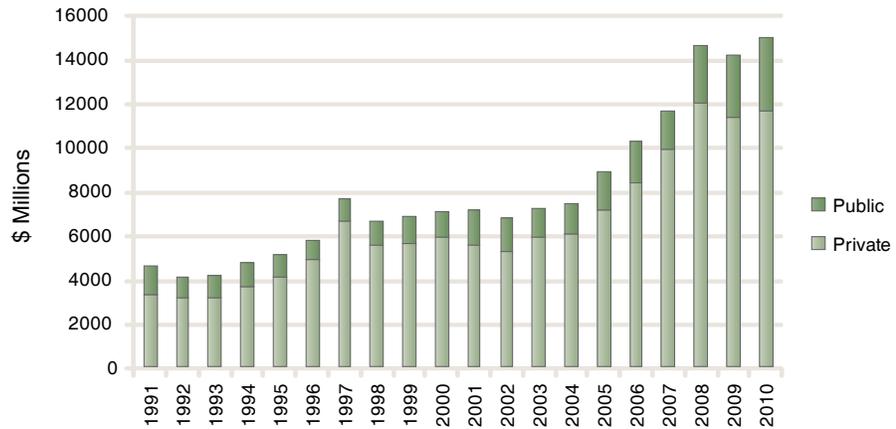
These private sector forecasters, on average, expect Saskatchewan's real GDP to grow by 3.0 per cent in 2010 (the third highest in Canada) and 3.6 per cent in 2011 (the second highest in Canada), following a 1.8 per cent contraction in 2009.

Outside forecasters expect Saskatchewan to post a cumulative growth of 4.8 per cent from 2009 to 2011, the second highest among provinces.

Measure

Baseline / Trend Line Information

Total capital investment in Saskatchewan (public and private investment)



Source: Statistics Canada

Measure Description

This measure is of interest internally, to the Ministry of Finance and to Government, as well as externally. Capital spending in the province demonstrates confidence in Saskatchewan as a place to invest and helps to provide for future economic growth.

The data comes from Statistics Canada's Private and Public Investment Intentions Survey, which is an annual survey that collects data on the intentions for capital investment and the expenditures for the previous two years and the next year. Total capital investment in Saskatchewan declined by 2.8 per cent from \$14.7 billion in 2008 to \$14.3 billion in 2009. Total capital investment in Canada as a whole dropped by 11.4 per cent.

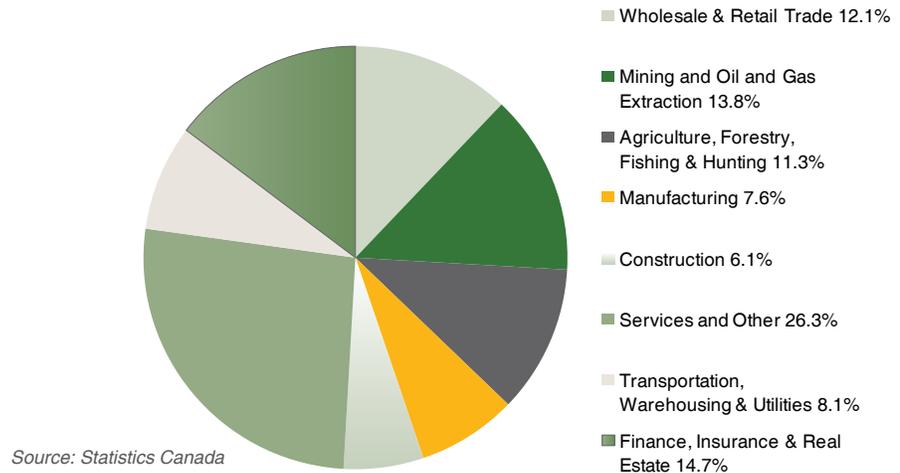
Saskatchewan's total capital investment in 2010 is expected to grow by 5.5 per cent to \$15 billion, the third highest growth among provinces. Private investment overall is expected to increase by 2.8 per cent while public investment is expected to increase by 16.3 per cent.

In 2010, non-residential capital investment in Saskatchewan is expected to increase by 5.9 per cent while residential capital investment is expected to grow by 3.3 per cent. In dollar terms, capital investment in both mining and public administration is expected to contribute the most to growth in investment in 2010. Mining investment is expected to jump by roughly \$531 million in 2010 over 2009, while investment in the public administration sector is expected to increase by over \$200 million.

Measure

Real GDP by industry, 2008

Baseline / Trend Line Information



Measure Description

This measure is of interest internally, to the Ministry of Finance and to Government, as well as externally. A well-diversified economy is less susceptible to sector-specific shocks and generally in a much better position to continue on a positive growth track.

In 2008, the Mining and Oil and Gas Extraction was the largest goods-producing sector in the province, accounting for 13.8 per cent of the total economy. Services and Other (26.3 per cent) made up the largest share of the Saskatchewan economy, followed by Finance, Insurance and Real Estate sector at 14.7 per cent.

Measure

Baseline / Trend Line Information

Income and sales taxes paid by representative taxpayers

Saskatchewan Income and Sales Taxes Paid by Representative Taxpayers

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Single parent family earning \$25,000	\$862	\$691	\$619	\$560	\$515	\$466	\$382	\$176	\$20	(\$177)
One-income family earning \$50,000	\$5,446	\$4,486	\$4,284	\$4,005	\$4,007	\$4,124	\$4,001	\$3,679	\$2,207	\$2,098
Two-income family earning \$75,000	\$7,417	\$6,983	\$6,721	\$6,390	\$6,432	\$6,656	\$6,516	\$6,096	\$4,710	\$4,601

Measure Description

Saskatchewan's tax levels for representative taxpayers provide an indication of the amount of after-tax or disposable income available to residents. Declining tax levels are therefore suggestive of improvements in the relative prosperity of residents. In 2009, income taxes for each of the representative profiles declined as a result of indexation adjustments.

The calculations upon which the performance measurements are based are performed by the Ministry of Finance using internal tax simulation calculations. Each of the measures is based on determination of combined provincial income and sales taxes payable by representative family profiles.

For each family profile, provincial income taxes are calculated based on the following assumptions:

- each family has two dependent children;
- for the two-income family, one spouse earns 60 per cent of the total income and the other earns 40 per cent;
- the single parent family and the two-income family claim \$3,000 in deductible child care expenses;
- each family claims available basic personal exemptions, dependent child credits, and credits for Canada Pension Plan and Employment Insurance contributions; and,
- for the purposes of interprovincial tax comparisons, Quebec's income tax calculations are adjusted for the child care expense tax credit and the 16.5 per cent federal tax abatement.

In addition, provincial sales taxes are calculated based upon average family expenditure baskets from the *Survey of Family Expenditures in 2007* (Statistics Canada). The sales tax base in each province is identified from the enacting legislation, with total expenditures adjusted to reflect Saskatchewan consumption patterns. Provincial sales taxes are then estimated based on taxable expenditures in each province. Refundable provincial income tax credits designed to reduce the impact of sales taxes are netted from the sales tax calculations.

Measure

Interprovincial tax comparisons for selected average family profiles

Baseline / Trend Line Information

Saskatchewan's Tax Competitiveness Rankings for Representative Taxpayers										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Single parent family earning \$25,000	5th	5th	4th	4th	3rd	3rd	3rd	3rd	2nd	2nd
One-income family earning \$50,000	5th	4th	4th	4th	4th	4th	4th	3rd	2nd	2nd
Two-income family earning \$75,000	4th	3rd	3rd							

Measure Description

Saskatchewan's interprovincial ranking with respect to the tax levels of representative taxpayers is indicative of the competitiveness of our tax system. This measure can be significantly impacted by tax changes initiated in Saskatchewan and by tax changes occurring in other provinces. Saskatchewan's tax competitiveness relative to other provinces was maintained in 2009 for all family profiles due to the significant personal income tax cut introduced by the Government in October 2008.

The calculations upon which the performance measurement are based use the same methodology as described in the measure examining income and sales taxes paid by representative taxpayers, and are then assessed against calculations for other provinces.

Measure

Baseline / Trend Line Information

Public service as percentage of the Saskatchewan population

	2007-08 (Base Year)	2008-09	2009-10	Change From Base
Population at July 1 ¹	1,000,139	1,013,620	1,030,129	3.0%
Public Service FTEs	12,405	12,284	12,514	0.9%
Public Service as percentage of population	1.24%	1.21%	1.21% ²	Decreasing

1. Population numbers are from Statistics Canada, as of July 1 of the fiscal year. This data is available on the Provincial Government Statistics Bureau website www.stats.gov.sk.ca
2. This calculation is based on Budgeted FTEs; the calculation of "actual" public service FTEs as a percentage of population will be provided in the 2009-10 Annual Report.

Measure Description

One of Government's publicly stated objectives is to reduce the overall footprint of government. Under *The Growth and Financial Security Act* (section 33), Treasury Board is required to monitor the size of the public service as a percentage of the population and may undertake initiatives respecting the size of the public service as appropriate and in keeping with Government's direction. Typically controls are exercised during the development of the annual provincial budget. Treasury Board may also make allowances for emergency or unforeseen events such as additional resources to combat forest fires.

The purpose of this performance measure is to establish a baseline against which government can monitor the size of the public service and gauge whether it is growing or diminishing as a percentage of the Saskatchewan population. This public release of this measure supports Government's commitment to increased transparency and accountability.

The size of the public service is expressed in full-time equivalents (FTEs) for the fiscal year as defined in *The Growth and Financial Security Regulations*. An FTE is the number of paid hours in the year divided by the number of hours a full-time employee would normally be paid. This calculation converts part-time, full-time, temporary, and seasonal employees into a measure that treats all paid employees as if they are full-time for the entire year. The public service, as defined in regulations, includes employees of Executive Government employed under *The Public Service Act*, 1998, and therefore does not include ministerial assistants and those employed under personal service contracts.

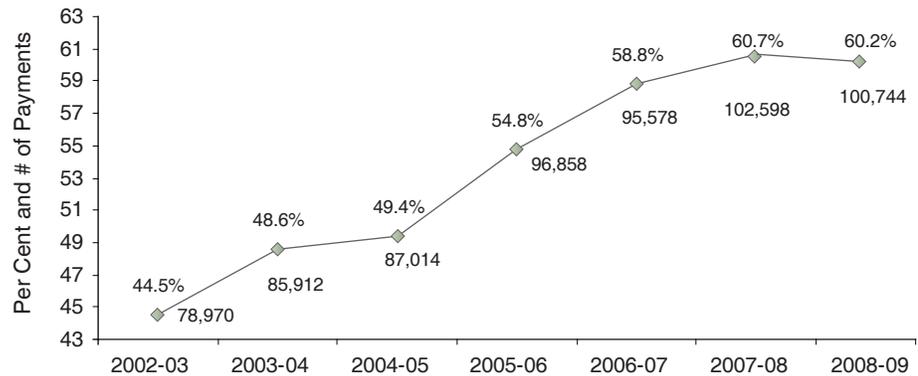
Calculation of the measure: annual FTEs are determined and then divided by the population of Saskatchewan at July 1 of the fiscal year.

The chart above shows that the population of Saskatchewan is growing (3.0 per cent); public service FTEs are also anticipated to grow in 2009-10 but at a slower rate than the population. As a result, the ratio of public service FTEs to the population of Saskatchewan is decreasing over the years, comparing the baseline year (2007-08) to the present. Due to the restraint policy introduced at mid-year 2009-10, it is anticipated that the actual number of public service FTEs will show minimal growth over 2008-09 and may be below the 2007-08 base year level. Therefore the ratio will likely improve by the time the annual report is released. Actual numbers will be available in the Ministry's 2009-10 annual report.

Measure

Baseline / Trend Line Information

Percentage of tax payments processed electronically



Source: Ministry of Finance, Revenue Division, Statistical Reports

Measure Description

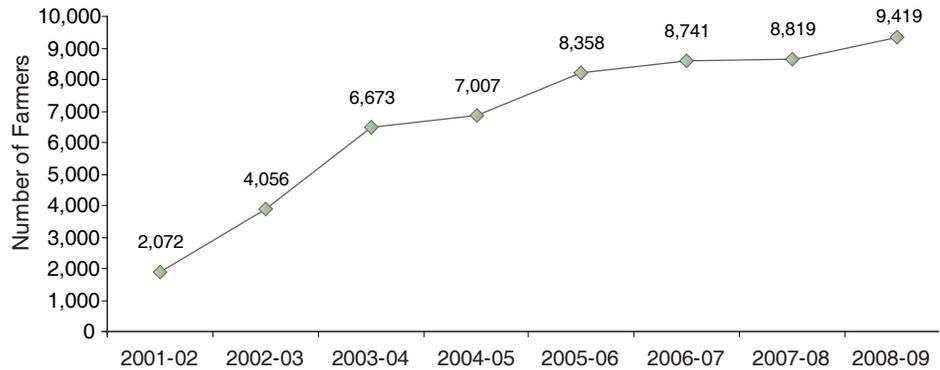
The Ministry strives to provide excellent client service by ensuring that businesses have access to all electronic options for making tax payments. The percentage of tax payments processed electronically is a measure of performance of how well the Ministry is meeting its objective of streamlining regulatory compliance. Businesses that use electronic methods to make payments are able to save time and money on regulatory compliance and channel their resources to other business activities. In addition, the Ministry realizes a reduction in the cost of processing payments when the tax return and payment are received electronically. The measure is determined from statistical reports generated from the main revenue system.

The Ministry continuously works with financial institutions to ensure that businesses are able to make tax payments through any of the financial institutions' electronic payment services that provide sufficient payee information. The percentage of tax payments processed electronically has grown significantly over the last five years and efforts to promote the use of electronic services will continue. However, the Ministry has limited influence over this measure as many businesses have internal controls that only permit issuance of cheques and some businesses simply prefer to issue a cheque.

Measure

Number of farmers that applied for fuel tax permit renewals online

Baseline / Trend Line Information



Source: Ministry of Finance, SETS

Measure Description

The Ministry strives to provide excellent client service by ensuring that all businesses have the ability to file tax returns and program applications online. Saskatchewan Electronic Tax Services (SETS) was enhanced in February 2002 to offer farmers, commercial fishers, loggers, and trappers a secure, fast, and convenient alternative to filing their Fuel Tax exemption permit renewal in paper format. The number of farmers that filed permit renewals online measures the Ministry's performance in meeting the objective of ease of tax compliance and reducing regulatory burden.

The number of permit renewals filed using SETS has increased over 450 per cent in the last seven years. The Ministry continues to promote SETS as it is more convenient for program applicants and it reduces the cost of program administration. However, the Ministry has limited influence over this measure as many applicants do not have access to a computer with an Internet connection or simply prefer to mail in a completed application.

Measure

Provincial Auditor's assessment of government's accountability systems

Baseline / Trend Line Information

Provincial Auditor's Report	Satisfaction with processes and/or guidelines	Assessment of Ministry plans and reports
2009 Report, Vol. 3, Ch. 19	Improving	N/A
2008, Vol. 3, Ch. 20	Partial	N/A
2007, Vol. 3, Ch. 9	Partial	N/A *
2006, Vol. 3, Ch. 14	Yes **	Positive
2005, Vol. 3, Ch. 9 & 11	Yes	Positive
2004, Vol. 3, Ch. 15	Yes	Positive
2003, Vol. 3, Ch. 13	Yes	Positive

Source: Provincial Auditor's Reports, available online at www.auditor.sk.ca

* The Provincial Auditor's (PA) approach to assess government's accountability system differed over the years; from 2003-06, the PA assessed Finance's processes, guidelines, and a small sample of ministry plans; from 2007 on, the PA's focus shifted to solely examine government's accountability system and processes.

Measure Description

This measure tracks the Provincial Auditor's assessment of Government's overall accountability system and the quality of ministry plans and annual reports. This independent assessment helps the Ministry gauge its progress towards the following strategy: "demonstrate leadership for good governance, transparency, and accountability across government."

In its most recent report, the Auditor indicated ministry plans and annual reports, which use the Ministry of Finance's guidelines, are improving. Previously, the Auditor was only partially satisfied because the original schedule to implement the Canadian Comprehensive Auditing Foundation (CCAF) principles were not followed as originally anticipated. Areas identified for improvement (publication of performance measure targets, capacity to meet outcomes, and risk identification) are reporting challenges commonly found in other jurisdictions.

A number of improvements were made to Government's accountability system in 2008-09, which had an impact on the Ministry Plans for 2009-10, the annual reports released in July 2009, and the Plans for 2010-11.

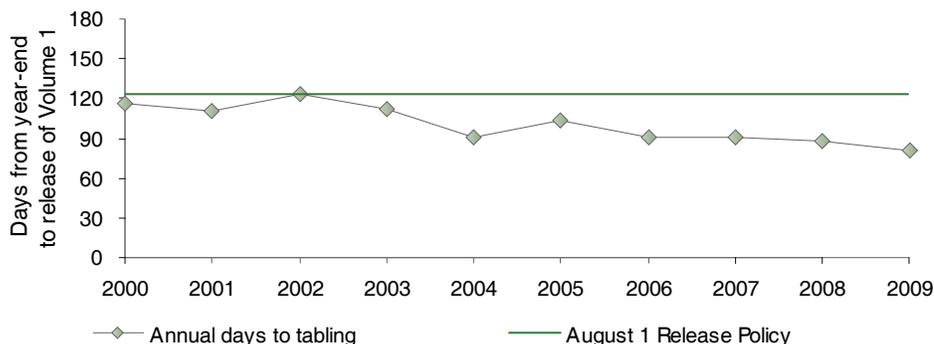
The Ministry leads implementation of a renewed approach to accountability and guides ministries in the continued improvement of strategic plans for budget development, public plans, and annual reports. It will continue to work with ministries and central agencies to research and identify specific areas of focus and ways to improve accountability and reporting practices.

While suggestions can be made to move ministries toward better performance management and reporting practices, this effort is not solely within the control of the Ministry.

Measure

Timeliness of the release of Public Accounts, Volume 1

Baseline / Trend Line Information



Source: Saskatchewan Public Accounts

Measure Description

Continued strong financial reporting is essential to strong accountability. The Public Accounts are key financial accountability documents that are publicly released on an annual basis. The Public Accounts are prepared and tabled, in accordance with *The Financial Administration Act, 1993 (FAA)*. The Ministry prepares and publishes the Public Accounts, pulling together information from ministries and other government organizations. The FAA requires the Public Accounts to be tabled on or before October 31. However, a policy has been in place since 2000 for tabling Volume 1 of the Public Accounts, on or before August 1. For the last several years, the Government has been in a position to table Volume 1 in late June or early July. The timely reporting of Volume 1, which contains the General Revenue Fund Financial Statements and the Summary Financial Statements, demonstrates Finance's leadership for good governance, transparency and accountability across government.

Percentage of entities meeting tabling deadline

Year	Percentage of Entities Meeting Tabling Deadline
2009-10	86%
2008-09	77%
2007-08	76%
2006-07	84%
2005-06	84%
2004-05	81%

Source: Legislative Assembly of Saskatchewan website

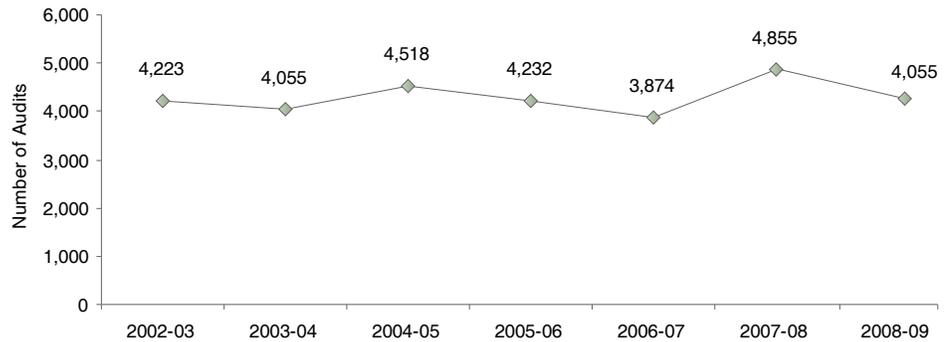
Measure Description

Continued strong financial reporting is essential to strong accountability. The financial statements of government entities are prepared pursuant to their enabling legislation. Pursuant to *The Tabling of Documents Act, 1991*, entities are required to table their financial statements within 120 days of their year-end. The Ministry, on behalf of Treasury Board, provides approval of the form and content of the Financial Statements in advance of the tabling. Finance also communicates tabling deadlines and monitors compliance with these deadlines. Finance's role contributes to timely, reliable, and relevant financial reporting by Treasury Board Crowns and agencies and demonstrates Finance's leadership for good governance, transparency and accountability across government.

Measure

Baseline / Trend Line Information

Number of audits conducted on businesses liable for taxes under the statutes administered by Finance



Source: Ministry of Finance, Revenue Division, Time Control Tracking System

Measure Description

Finance administers several provincial government revenue and tax rebate programs. This work involves identifying and collecting tax revenues, conducting audits, issuing tax refunds, and providing information related to tax and rebate programs. The number of audits performed in 2008-09 was down from the previous year. In 2007-08, a significant number of additional audits were completed due to refund claims relating to the used vehicle exemption that was announced in November 2007. This increase was isolated to the first year the vehicle exemption was implemented and the volume of the refund claims returned to normal levels for 2008-09.

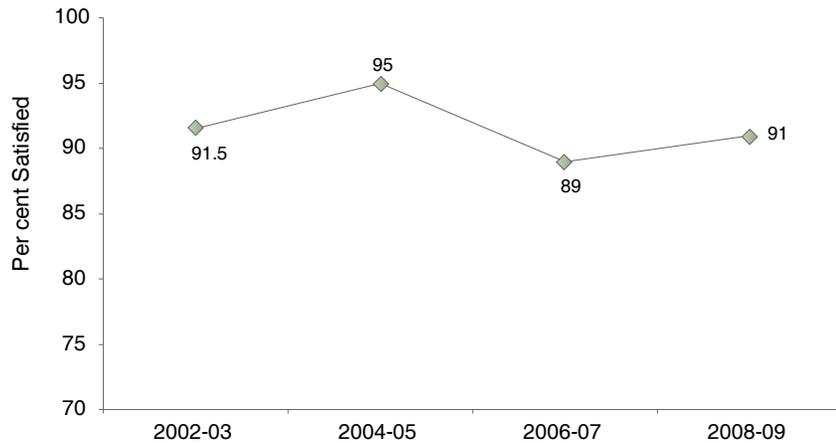
In 2010-11, emphasis will be placed on overall tax compliance including audit, education, and outreach. A reasonable target for the number of audits that will be conducted in 2010-11 is 4,053, which is the average number of audits conducted over the past two years (excluding the vehicle refund program in 2007-08). Audits are selected based on level of risk to protect and preserve revenue base, maintain a level playing field for businesses operating in the province, and promote voluntary compliance.

Staff turnover can affect the number of audits conducted in any particular year. The number of audits is derived from weekly timesheets prepared by audit staff and recorded in the Revenue Division's Time Control Tracking System. The system accumulates the weekly activities from the various work units throughout the division. The data is driven by weekly timesheets prepared by each employee.

Measure

Baseline / Trend Line Information

**Client satisfaction
(of businesses
which collect
taxes on behalf of
government)**



Source: Ministry of Finance

Measure Description

In 2002-03, the Ministry committed to conducting bi-annual client satisfaction surveys of businesses collecting taxes on behalf of government. This measures whether these clients are satisfied with the Ministry's quality of service and timeliness of responses, refunds, and adjustments. This allows businesses to evaluate the Ministry's performance and helps the Ministry determine how its timeliness of responses, refunds, and adjustments may be improved.

In 2008 surveys were sent to 555 businesses based on a random sample of businesses that collect Provincial Sales Tax, Fuel Tax, Tobacco Tax, and Corporation Capital Tax. The response rate for the surveys was 33 per cent.

Combining all tax types, every survey question for 2008 has a higher satisfactory response rate than in 2006. The highest satisfaction rating related to "helpfulness of staff," where 94 per cent of respondents were satisfied or very satisfied. The overall satisfaction rating for all questions and all tax types was 91 per cent, up from 89 per cent in 2006.

In 2009-10, the Ministry published *The Taxpayer Service Commitments and Standards Code* that described the fairness and service principles that the Ministry follows in administering Saskatchewan's taxes and related programs. The purpose of the code is to encourage more open communication with clients to identify problems early, find solutions faster and to prevent problems before they occur.

The bi-annual client satisfaction survey will be conducted again in 2010-11 as a means of measuring client satisfaction.

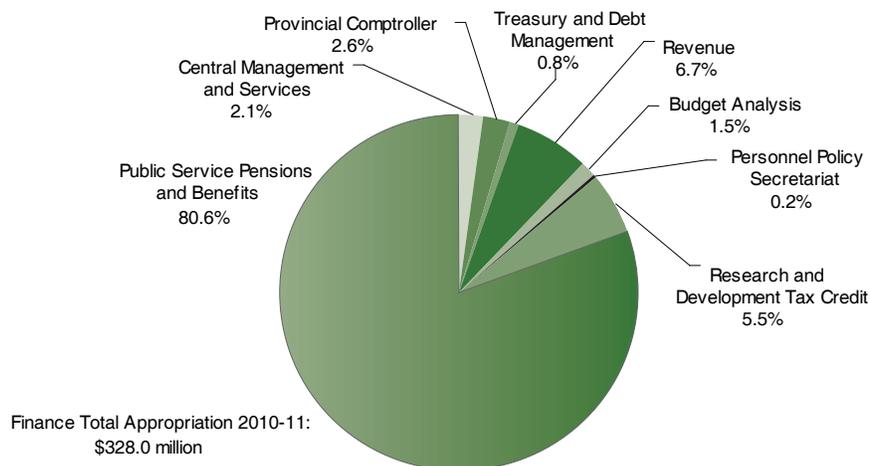
Financial Summary

Highlights of Appropriation and Expense 2010-11

2010-11 Estimates	(in thousands of dollars)
Central Management and Services	6,780
Treasury and Debt Management	2,478
Provincial Comptroller	8,575
Budget Analysis	5,047
Revenue	22,003
Personnel Policy Secretariat	521
Research and Development Tax Credit	18,000
Miscellaneous Payments	140
	63,544
Capital Asset Acquisitions	(4,150)
Capital Asset Amortization	959
Total Expense	60,353
Public Service Pensions and Benefits	264,474
Total Appropriation	328,018
Ministry FTE	318.0
Public Employees' Benefits Agency Revolving Fund	111.5
FTE Staff Complement	429.5

For more information, see the Budget Estimates at: <http://www.finance.gov.sk.ca/budget2010-11>

Composition of 2010-11 Ministry of Finance Appropriation by Subvote



HIGHLIGHTS

2010-11 General Revenue Fund (GRF) Budget Highlights

The Government of Saskatchewan will table a balanced budget for the people of this province.

- The GRF surplus is forecast to be \$20 million.
- Government expense levels are reduced by 1.2 per cent, while protecting important programs and protecting core services in Health, Social Services, Education, and other priority areas across government.
- Government general public debt will not rise, and the Growth and Financial Security Fund is projected to have a year-end balance of \$510.8 million.

Government will continue moving Saskatchewan forward by investing in key infrastructure programs, supporting innovations and economic development measures, and dedicating funding to initiatives that will prepare our future workforce.

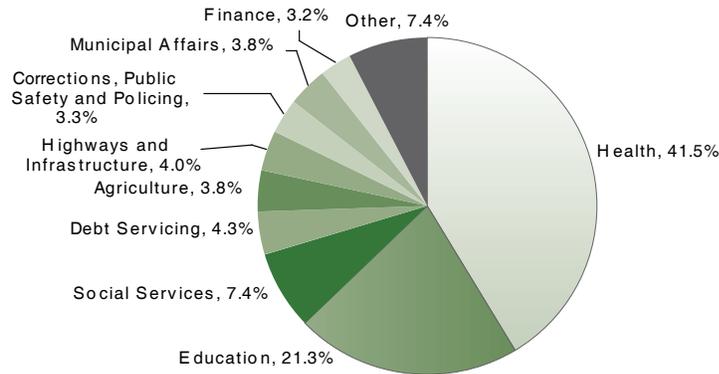
- The 2010-11 infrastructure budget is \$632 million, bringing total capital investment to nearly \$3 billion in three years.
- \$177 million for municipal infrastructure, an increase of nearly 30 per cent.
- \$161.6 million for approximately 470 kilometres of highway construction for the Rural Highway Strategy and work on projects that, when completed, will see 600 kilometres of highway resurfaced.
- \$16.6 million for the Saskatchewan Research Council to continue its current research and development projects.
- \$391.2 million for universities, federated and affiliated colleges, including increases of \$16.3 million to help minimize growth in tuition costs.

The 2010-11 Budget supports Saskatchewan in a responsible manner by delivering meaningful programs and protecting core services that improve the daily lives of Saskatchewan people, including caring for society's most vulnerable citizens.

- \$123 million increase (5 per cent) to Regional Health Authorities (RHAs) to provide base funding of \$2.6 billion to maintain and improve delivery of health care services to Saskatchewan people.
- \$10.5 million to begin the process of reducing surgical wait lists and wait times.
- \$7 million for a Patient-First Initiatives Fund, to support the Health system in adopting a patient- and family-centred care approach.
- \$976.5 million for the Operating Grant for Education, representing a \$33 million increase to total school division operating funding including property taxes.

HIGHLIGHTS (CONT'D)

Composition of 2010-11 GRF Expense



For More Information

Please visit the Ministry's website at www.finance.gov.sk.ca for more information on the Ministry's programs and services, or call (306) 787-6623.