



BCAssessment



OUR SERVICE
COMMITMENT
TO YOU IS TO BE...



2007-2009 SERVICE PLAN

Letter of Transmittal

February 20, 2007

The Honourable Rick Thorpe
Minister of Small Business and Revenue and
Minister Responsible for Regulatory Reform
Legislative Buildings
Victoria, British Columbia V8V 1X4

Dear Minister:

On behalf of the British Columbia Assessment Authority, we have the pleasure to submit our 2007–2009 Service Plan.

This plan fulfills our obligation under the *Budget Transparency and Accountability Act* to provide a service plan with performance measures.



Lillian White
CHAIR
BOARD OF DIRECTORS



Doug Rundell
ASSESSMENT COMMISSIONER

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Message from the Board Chair to the Minister Responsible

February 20, 2007

The Honourable Rick Thorpe
Minister of Small Business and Revenue
Minister Responsible for Regulatory Reform
Government of British Columbia

Dear Minister:

On behalf of the Board of Directors, the management and the employees of British Columbia Assessment Authority, it is my pleasure to present our 2007-2009 Service Plan.

One of the organization's key priorities has, and will continue to be, providing friendly and efficient service to our customers. Over the past few years, the corporation has heightened its service focus to ensure we are meeting the needs of our clients. A Service Commitment statement and clearly defined Service Standards have been developed to ensure that staff understand the organization's values and our commitment to customer service excellence. All staff, new and old, will receive updated customer service training in 2007.

Additionally, we are working to improve uniformity of business practices and are benchmarking our operations with those of other North American assessment jurisdictions to ensure that we are operating as effectively and efficiently as possible.

A significant challenge and achievement for BC Assessment over the past several years was the development and implementation of valueBC, a new computer information system. The system enables staff to serve clients faster and has improved electronic linkages with tools such as mapping information and government databases. During this process, we have stayed within budget while maintaining high standards for assessment information and customer service. The system has proven to be valuable to both our internal and external customers.

Over the next three years, we will focus on:

- continuous improvement of customer service;
- cutting red tape by streamlining and simplifying our business practices;
- preserving our reputation as an international model assessment jurisdiction;
- maintaining or reducing taxpayer costs for assessment services; and
- improving communications to the public and property owners about the assessment process and its relation to taxation.

The 2007-2009 period promises to be both challenging and rewarding for BC Assessment. Our commitment is to provide exceptional customer service and high quality assessments throughout the province.



Lillian White
CHAIR
BOARD OF DIRECTORS

Accountability Statement

The 2007-2009 Service Plan was prepared under our direction in accordance with the *Budget Transparency and Accountability Act*. We are accountable for the contents of the plan, including the selection of performance measures and targets.

The plan is consistent with government's strategic priorities and overall Strategic Plan. All significant assumptions, policy decisions, and identified risks as of December 31, 2006 have been considered in preparing the plan.

We are accountable for ensuring that the British Columbia Assessment Authority achieves its specific objectives identified in the plan and for measuring and reporting actual performance.



Lillian White
CHAIR
BOARD OF DIRECTORS



Doug Rundell
ASSESSMENT COMMISSIONER

Overview of the Organization

The British Columbia Assessment Authority (BC Assessment) is a provincial Crown corporation established in 1974 with the mandate to produce and maintain assessments that are fair, equitable and uniform throughout the whole of British Columbia. The Board of Directors provides policy direction and performance review, while valuation and operational matters are the responsibility of the Chief Executive Officer and Assessment Commissioner.

BC Assessment's responsibilities are set out in two Acts: the *Assessment Authority Act* and the *Assessment Act*. The *Assessment Authority Act* establishes BC Assessment as a corporation. This Act also provides for the appointment of a Board of Directors, Assessment Commissioner and the funding of BC Assessment by annual property tax levies. The *Assessment Act* establishes the rules under which annual assessment rolls must be created. This Act also sets out the appeal process. The Minister of Small Business and Revenue is charged with the administration of these Acts.

BC Assessment's core function is to establish and maintain uniform real property assessments throughout the province, using current market data as a guide. After determining the correct classification, actual value (estimated market value) and tax exemption status of approximately 1.78 million properties across the province, BC Assessment provides taxing authorities with an assessment roll, which lists all properties, names of the owners and the taxable values of the land and any improvements (buildings). The corporation also sends an assessment notice to each person named in the assessment roll. For some properties, the assessment roll contains

ROLES AND RESPONSIBILITIES



values determined in accordance with prescribed rates and manuals approved by the Assessment Commissioner and regulations. Examples include farm land and major industrial property manuals.

The real estate market creates the value and BC Assessment reports it to taxing authorities and property owners. Taxing authorities determine the amount of revenue required to pay for public services, set their property tax rate, apply the rate to the assessed value of properties and send property owners a separate tax notice.

A critical element of the system is that BC Assessment operates *independently* of all levels of government that levy property taxes.

BC Assessment currently employs 586 permanent staff in 20 offices throughout British Columbia. The organization currently consists of 10 regions with 19 areas and assessment offices located throughout the province and a Head Office in Victoria containing the following divisions to support the assessment offices: Assessment; Policy, Audit and Legal Services; Corporate Services; and Communications.

In addition to fulfilling their core duties, the divisions are committed to continually improving customer service, streamlining and simplifying legislation and cutting red tape. Four corporate goals supported by strategies and performance measures, outlined beginning on page 20, form BC Assessment's strategic direction.

Statement of Corporate Governance Practices

BC Assessment is a publicly-funded corporation constituted under the *Assessment Authority Act* and governed by a Board of Directors. The Board of Directors of BC Assessment provides policy direction and performance review, and the Chief Executive Officer and Assessment Commissioner has responsibilities for valuation and operational matters.

Members of the Board are:

Lillian White – Delta, Chair
George Puil – Vancouver, Vice Chair
Barry Clark – Nanaimo
Fred Graham – Cranbrook
Shawn McLaughlin – Prince George
Chris Nicolls – Vancouver
Anna Nyarady – Vancouver
Brian Romer – Sechelt
Allen Tozer – Westbank
Eldon Unger – Chilliwack

Members of the Senior Management Team are:

Doug Rundell - Chief Executive Officer and Assessment Commissioner

Kevin Burr - Corporate Secretary, Coordinator of Corporate Planning, and Executive Assistant to the CEO/Assessment Commissioner

Bruce Turner - Executive Director, Policy, Audit and Legal Services

Connie Fair - Executive Director, Assessment

David Highfield - Executive Director, Assessment

Laurie McAmmond - Executive Director, Corporate Services

Board Committees engage in regular and detailed review of policies, issues, and corporate finances and make recommendations to the Board, where decisions are made.

The Board Committees are:

The Policy, Planning and Service Audit Committee

- This committee deals with all matters pertaining to the Performance Plan, the service audit, and inter-governmental and community policies.
- The members of this Committee are: George Puil (Chair), Fred Graham, Anna Nyarady and Eldon Unger.

The Human Resources and Education Committee

- This committee deals with all matters of human resources, training, and education. The Committee also acts as a reference group during negotiations regarding the collective agreement.
- The members of this Committee are: Chris Nicolls (Chair), Shawn McLaughlin, Anna Nyarady and Allen Tozer.

The Audit and Finance Committee

- This committee deals with all matters relating to financial policies and the annual budget.
- The members of this Committee are: Chris Nicolls (Chair), Lillian White, George Puil and Brian Romer.

The Governance Committee

- This committee reviews, monitors, and reports on Board effectiveness and deals with all matters relating to governance.
- The members of this Committee are: Anna Nyarady (Chair), Barry Clark, Shawn McLaughlin and Lillian White.

The Board of Directors has adopted the guiding principles included in the provincial government's Governance Framework which provide an understanding of the roles and responsibilities for all parties that are part of the Crown corporation governance environment:

- Stewardship, Leadership and Effective Functioning of the Board;
- Clarity of Roles and Responsibilities;
- Openness, Trust and Transparency;
- Service and Corporate Citizenship;
- Accountability and Performance; and
- Value, Innovation and Continuous Improvement.

These principles underlie good corporate governance and form the foundation for the development of a sound governance structure. For more information on board governance practices, refer to the web site at www.bcassessment.ca/about/board.asp.

A Shareholder's Letter of Expectations was signed on July 26, 2006 by the Minister of Small Business and Revenue and on August 8, 2006 by the Chair of the Board of Directors. This document is a public agreement that outlines performance expectations, public policy issues and strategic priorities. It will be reviewed annually and updated as required. The letter is available on the Internet at www.bcassessment.ca.

The Shareholder's letter of Expectations directs BC Assessment to:

- establish and maintain property assessments that are uniform in the whole of British Columbia in accordance with the *Assessment Act*;
- provide support and input for government's comprehensive review of the property assessment system; and
- support the government's five Great Goals for a Golden Decade as set out in the February 2006 Speech from the Throne and government's Strategic Plan.

In addition, the Shareholder directs the Corporation to take the following specific actions:

A Work closely with the Ministry of Small Business and Revenue (Ministry) to assist and facilitate the comprehensive review of the property assessment system in the areas of:

- Governance;
- Service Quality;
- Assessment Methodology; and
- Assessment Policy.

B To address customer service and performance measurement initiatives not considered as part of the assessment system review:

- Build a customer-service orientation within the Corporation by developing and implementing a customer service code consistent with the Ministry's Taxpayer Fairness and Service Code.
- Report out to the Shareholder on the progress and improvements provided by the performance measurement system BCA implemented to benchmark the Corporation's operations against those of other North American assessment jurisdictions. These measurements should include benchmarks that measure service quality to taxpayers.
- Expand on existing efforts to educate and inform the public about the assessment process and its relation to taxation.
- Implement the Issue Alert & Media Inquiry system to act as an early warning for assessment issues, and ensure that it provides a proactive, flexible approach to take action and address issues in a timely manner.
- Report out to the Shareholder on the progress of implementing the strategies identified in the 2006-2008 Service Plan.
- Report out to the Shareholder on the client response turnaround standards.

As directed by the current Shareholder's Letter of Expectations, the Board, Minister's representatives and Assessment Commissioner are working to develop clear roles and responsibilities for the Minister, Ministry, CEO, Assessment Commissioner, and the Board of Directors. The Minister, Board Chair and Assessment Commissioner meet regularly throughout the year.

In 2004, the Board of Directors, in their capacity as the members of the corporation, revised its bylaws to reflect current best practices in corporate governance and began development of a Governance Manual. The manual was completed in 2006 and outlines corporate objectives, policies, corporate authorities, and procedures pertaining to the Board of Directors, the roles of the Board's advisory committees, Board Chair, Vice Chair, Chief Executive Officer, and Corporate Secretary. It summarizes the Board's basic operating parameters for its members and advisory committees, and the executive management team. The development of a Governance Manual fulfills the recommendation of the Board Resourcing and Development Office that was outlined in their publication, *Best Practices Guidelines: Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations*. This document was introduced by the Premier with an expectation that public sector organizations meet the standards.



Accessible

Providing timely access to staff and information



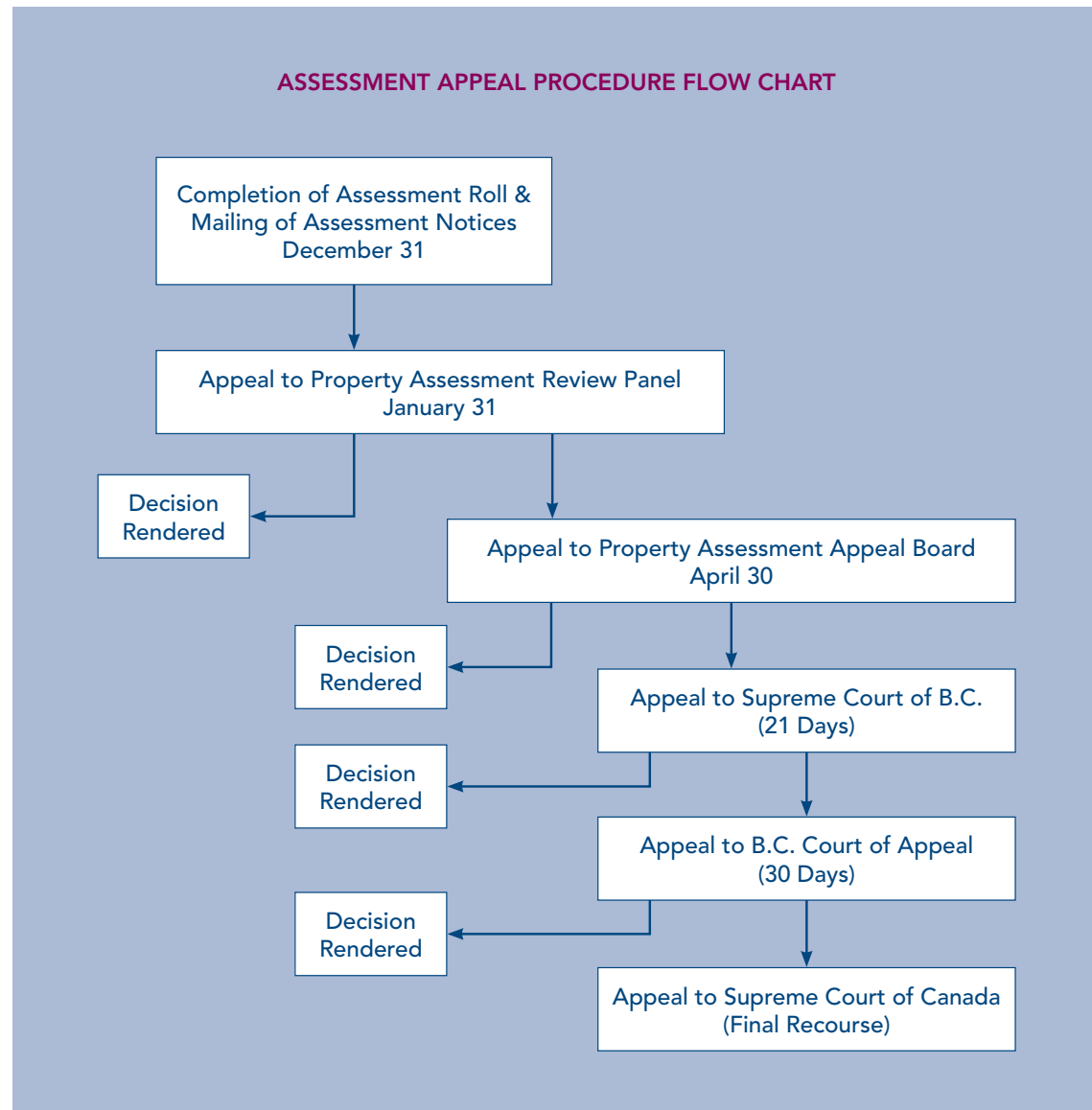
Products and Services

BC Assessment's products and services are relied upon by British Columbians, their provincial, municipal, and regional governments and other public bodies that generate real property tax revenue, including improvement districts, hospital boards, schools and BC Transit. Property assessments form the basis of distributing property tax for over 1,600 different taxing jurisdictions in British Columbia.

The assessment rolls provide an independent, fair and equitable base from which local governments and the provincial government raise \$5 billion annually in property taxes. Of this money, \$2.7 billion is collected for local governments and \$2.3 billion is collected for schools and provincial general revenue. Property tax provides between 40 and 60 percent of funding for local governments and approximately 30 percent of funding for schools.

BC Assessment is funded through property tax levies. Each year, BC Assessment levies a tax upon all taxable property in the province (except for some exemptions). The 2007 revenue forecast has tax levies, payments in lieu of taxes and contract income from First Nations generating \$66.9 million.

Each year, property owners have the opportunity to file a complaint regarding their property assessment at the first level of appeal – a Property Assessment Review Panel – provided they have applied in writing or by electronic notification by January 31. BC Assessment funds the costs of the independent appeal process through the Ministry of Small Business and Revenue. A second level of appeal is available through the Property Assessment Appeal Board. Further appeals are through the judicial process.



BC Assessment does not receive any operating grants or monies from any level of government. The corporation also sells some property information products and services to earn additional revenue.

Annual Assessment Rolls

The assessment rolls contain the legal description, ownership, assessed value, use classification and other details for every property in British Columbia. There are four types of rolls:

- **The Completed Roll:** this is completed by BC Assessment and approved by the Assessment Commissioner in December of each year for taxation in the following year;
- **The Revised Roll:** this includes amendments made by the Assessor and the Property Assessment Review Panels during February and March;
- **The Supplementary Rolls:** these contain changes and corrections to the Revised Roll, and are issued between April and December; and
- **The Grant Rolls:** these contain the assessed value of properties that are exempt from property taxation, such as government properties, schools and hospitals. They are produced annually and provided to exempt property owners and municipalities, and provide a foundation for grants in lieu of property taxes.

Assessment Notices

BC Assessment provides each real property owner with a notice of assessed value of land and improvements. On or before December 31 of

each year, assessment notices for approximately 1.78 million properties are sent by mail. All property owners have the option of receiving their notice electronically through Canada Post's epost™ by visiting www.bcassessment.ca or www.epost.ca.

For the majority of properties, the assessment is the estimation of a property's market value as of July 1 each year. This means that assessment notices mailed in December of each year reflect the value six months earlier.

Community and Social Initiatives

BC Assessment supports many partnership projects that add value to services that create a strong economy and support communities throughout British Columbia. The Integrated Cadastral Information Society (ICIS) was created as a non-profit organization to create a single source for all provincial mapping data from both government and private sector sources. As a member of the Society, BC Assessment provides staff expertise and data that enables all partners to share resources more efficiently. Additional information about ICIS is available at www.icisociety.ca.

BC Assessment is also a founding sponsor of CivicInfo BC, a web site portal designed to help BC local governments share information and services online. The corporation also works closely with various local government associations such as the Union of British Columbia Municipalities (UBCM) and the Local Government Management Association (LGMA) to address assessment-related issues and provide information that helps taxing authorities create a stable tax base to support many local programs and services.

Assessment data is also provided to the public and private sectors through strategic business partnerships with BC OnLine and other data agents in the private sector. BC Assessment strives to create beneficial partnerships with other provincial government agencies to improve services and save money for taxpayers. Examples include sharing information technology infrastructure services, and being partners in government-wide initiatives such as the Integrated Land and Resource Registry led by the Land Title and Survey Authority under the direction of the Ministry of Agriculture and Lands.

BC Assessment's work culture also promotes personal commitments to giving and helping others through charitable and social causes. Staff regularly participate in activities at the workplace throughout the province to help support others in their communities.

First Nations Assessment Rolls

BC Assessment provides assessment rolls on a contract basis to 55 of the 80 First Nations that have authority to establish independent real property taxation systems.

Statutory Reports

These reports provide value summaries for specific taxation purposes, such as funding for school districts, regional districts, local areas and hospital and transit services.

Commercial Products and Services

BC Assessment provides several products and services available for a fee. These include access through BC OnLine to the published assessment roll, provision of bulk electronic assessment rolls,

sales data and residential inventory data, custom reports and professional consulting services. Sales of these services reduce the levy on property owners. These revenues are forecasted to reach \$3.80 million in 2007.

Communications

Improving communication is an important key to the relationship between BC Assessment and our customers, as well as an important operational issue between offices and divisions. BC Assessment provides information to the public through: our corporate web site located at www.bcassessment.ca; CivicInfo BC (www.civicinfo.bc.ca), which is a comprehensive local government information sharing site; inclusion of assessment information on BC OnLine (www.bconline.gov.bc.ca); Assessment LinkBC, an online datamart for local governments; and direct communication with staff at assessment offices. Information on property assessments can be provided in several languages on request at all the area offices throughout the province.

Customer Service

BC Assessment is continually working to improve our customer service. All of our 19 area offices located throughout the province and head office offer convenient toll-free telephone service and generic email addresses for general queries. Additionally, area office contact information is provided in the telephone book and is printed on the front page of the Assessment Notice that is mailed to all property owners in January.

Online services are increasingly popular with the public and BC Assessment is responding to the demand for more web-based property

assessment information. Our public web site, www.bcassessment.ca, was redesigned to improve our customers' access to information about the property assessment process, presented in easy-to-understand terms. Assessments and Sales by Address is an online service that enables residential property owners to compare their assessment and any applicable sales to other homes in their area. These services are available from early January to March 15 during the inquiry period and time when the Property Assessment Review Panel addresses complaints. Assessments and Sales by Address are also available in paper form at assessment offices, most libraries, municipal halls and government agents' offices.

Customers can also register to receive their Assessment Notice electronically via *epost*TM. This web-based service delivers mail online for Canada Post. More information is available at www.epost.ca.

We serve our customers in different languages whenever possible. We have some staff able to speak and write several languages and some public information materials have been translated for our clients' convenience.

Customers are able to provide feedback for improvement to our management in several ways, including phone, fax, e-mail and front-counter contact. Each year, independent customer surveys are conducted randomly with various property owners to determine how well BC Assessment is serving the needs of its customers. The corporation has developed a Service Commitment and Service Standards in response to our customers' service expectations, and to outline our key values and commitment to customer service excellence.

Special services for customers with disabilities include wheelchair access at all office facilities and redesigning the corporation's public web site to include a text sizing feature for visually-impaired clients.

Review Process

BC Assessment advances the broad public interest by ensuring that the assessment roll accurately represents values and therefore provides a fair, equitable and uniform basis for property taxation. Fairness is a hallmark for BC Assessment employees in their service to the community.

Property owners who question the accuracy or impartiality of their assessment often resolve these issues by meeting with staff at BC Assessment's local offices. If issues are not resolved, property owners may seek a review by independent tribunals. The first level of appeal is to the Property Assessment Review Panel (PARP).¹ The second level of appeal is to the Property Assessment Appeal Board (PAAB).² These appeal tribunals, which are administered by the Ministry of Small Business and Revenue, are independent of BC Assessment and the taxing jurisdictions. Higher courts hear appeals based on matters of law.

BC Assessment pays for the cost of operating the Property Assessment Review Panels and the Property Assessment Appeal Board.

¹ Further information on PARP can be obtained at the Ministry of Small Business and Revenue web site at: <http://www.sbr.gov.bc.ca/parp/index.html>.

² Further information on PAAB can be obtained at the Property Assessment Appeal Board web site at: www.assessmentappeal.bc.ca.

Strategic Context

VISION

We will be the leading property assessment organization internationally and the first choice for property information in British Columbia.

MISSION

We produce uniform property assessments that form the basis for local and provincial taxation while providing information to assist people when making real estate decisions.

VALUES

We are guided by our commitment to:

- **Quality** in our products, services, and work life;
- **Accountability** for our actions and results;
- **Service** that is responsive and sensitive; and
- **Teamwork** in working together as one team and partnering with our clients.

Service Commitment and Standards

Our Service Commitment to you is to be:

- **RELIABLE** – Providing accurate products and professional service;
- **ACCESSIBLE** – Providing timely access to staff and information;
- **UNIFORM** – Being consistent in the way we treat you; and
- **RESPECTFUL** – Maintaining positive relationships.

BC Assessment's new Service Commitment recognizes that customer service is a long-term promise and our employees are focused on building stronger relationships with clients.

The Customer Service Excellence project was initiated by BC Assessment employees to build on a long history of service.

We conducted extensive research and engaged in dialogue with each of our key client groups and stakeholders through a series of focus group discussions.

Based on this research, we created our **Service Commitment**. This commitment is the foundation of our **Service Standards** that give you an outline of what kind of service you can expect whenever you interact with a member of BC Assessment's team.

Reliable

Providing accurate products and professional service

- We use quality audits and performance measures to ensure that you receive accurate and timely data and information.
- We provide current property assessment information to support your decision-making.
- We form partnerships with other organizations and work together in order to provide you with reliable service.
- If we are unable to fully answer your inquiry, we follow up with you in a timely manner and provide the information you need.

Accessible

Providing timely access to staff and information

- We provide convenient access to information about our services, policies, and office contacts on our web site www.bccassessment.ca.
- You can contact us by phone or in person any time during regular business hours (8:30 a.m. to 4:30 p.m., Monday to Friday, excluding holidays). During January, business hours are extended to 5:00 p.m.
- Your e-mail, fax and voice-mail correspondence is welcome at any time and will be responded to within two business days of receipt.
- We are committed to developing innovative ways for you to access information and interact with us.

Uniform

Being consistent in the way we treat you

- We apply our legislation, policies and procedures consistently to ensure fairness.
- We provide current legislation and assessment policies on our public web site to help you better understand the need for uniformity and consistency in the assessment process.
- An experienced staff member will respond to questions related to the application of legislation, policies, and procedures.

Respectful

Maintaining positive relationships

- We support a staff culture of teamwork, commitment and mutual respect in order to provide you with excellent service.
- We take the time to listen, understand and respond to your needs.
- We are honest and straightforward in how we interact with you.
- We maintain high professional and ethical standards in the work we do.
- We provide forums and opportunities to hear and respond to our customers' and stakeholders' needs.

For more information on our Service Commitment and Standards, please go to www.bccassessment.ca.

Planning Context and Key Strategic Issues

The following discussion gives an overview of the external and internal strategic issues facing BC Assessment. In addition, there are risks and opportunities related to these strategic issues. These strategic issues must be considered in light of capacity, the ability of BC Assessment to achieve its goals with its current funding, staff and infrastructure while providing excellent customer service, simplifying and streamlining legislation and cutting red tape.

EXTERNAL BUSINESS ENVIRONMENT

Events in British Columbia, and in the larger context of the world, have a direct impact on the operations of BC Assessment. The real estate market has historically been cyclical in nature and these highs and lows in the market directly impact BC Assessment. As it is the job of BC Assessment to establish market value for every property, market movement must be closely tracked annually for BC Assessment to fulfill its mandate. The greater the movement in either direction, the more it can impact the property owners in British Columbia. In addition, other factors that will impact the operations of BC Assessment are described in the following sections.

Customer Expectations

BC Assessment's customers are continually increasing their expectations for products, services and assessment roll quality. Local governments, taxpayers and commercial customers are placing higher demands on the assessment roll with regard to uniformity, consistency and accuracy. The provincial government has increasing expectations and requirements of Crown corporations. For BC Assessment, these include reporting its financial responsibilities, overview of strategic planning and performance monitoring and making these documents available to the public, and advancement of broader social, environmental and economic development objectives. In meeting these expectations, BC Assessment must maintain the independence of the assessment function so there is no real or perceived conflict of interest in regards to assessment and taxation.

Financial Challenges

BC Assessment relies on property tax levies for the largest part of its revenues and is subject to fiscal policies determined annually by the provincial government. The number of properties that are assessed annually continues to increase but the corporation is meeting this challenge by becoming more efficient and cost-effective. BC Assessment is committed to reducing its reliance on taxpayers through implementing specialization and effective marketing initiatives, including private sector partnerships to streamline the collection and distribution of assessment data. The corporation has developed a new web-based replacement of its current BC OnLine system to make it far more user-friendly and continues to promote and support the increased use of BC OnLine.

Client Service Solutions

Through the sale of assessment information products and services, BC Assessment reduces, to a limited extent, its reliance on taxation revenues. It is increasingly important that BC Assessment provides client-driven products and services that benefit all its clients and the taxpayers of the province. BC Assessment is working with representatives of our client groups to address issues such as improving data quality, timeliness, enhancing access to data, and the corporation will continue to develop and promote the use of Assessment LinkBC to local governments. One significant enhancement planned for Assessment LinkBC will be the availability of non-market change (new construction and development) reports for local governments. These reports generate data which are critical in the local government budgeting process.

First Nations Issues

Many First Nations of British Columbia are assuming property taxation responsibilities traditionally provided by provincial and local governments. As property taxation becomes increasingly important, opportunities will be created for BC Assessment to strengthen and expand its relations with First Nations. Services that can be provided include consultation, assessment and related products. BC Assessment is currently contracted to provide assessment services for 55 First Nations.

INTERNAL BUSINESS ENVIRONMENT

While external events in British Columbia have a direct impact on the operations of BC Assessment, there are internal issues facing the corporation that need to be addressed and managed. The internal issues that will impact the operations of BC Assessment are described in the following sections.

Demographics and Succession Planning

Demographic studies indicate that by the year 2011, a large portion of British Columbia's workforce will be retiring. This is also true for the workforce at BC Assessment— over the next five years approximately 28 percent of staff will be eligible to retire. The projected number of possible retirements creates several important challenges and opportunities and highlights the need for the ongoing succession program. In addition to retirements, the growth of economic opportunities in British Columbia has also created a more competitive environment for job competitions, placing pressure on employers in the recruitment of new talent. BC Assessment is addressing succession challenges with a comprehensive recruitment and retention strategy and by ensuring that teams, rather than individuals, have responsibility for specialized property types which will help reduce the risk of staff turnover.

Technology

Technological change continues to impact the assessment field and is creating opportunities for greater efficiency as well as challenges in terms of capital costs and staff training.

In 2005, BC Assessment launched a new assessment information system called valueBC which produced the 2006 Assessment Roll. The new system replaces outdated mainframe technology used since the early 1980s. The system's state-of-the-art database and search capabilities will enable staff to serve clients faster and more efficiently, with improved electronic linkages to other tools such as Geographic Information Systems (GIS) and databases (e.g., Land Title and Survey Authority of BC). With the goal to promote more interaction with customers, the system features services such as Assessment LinkBC, a datamart for local governments to download and customize information specifically for their needs.

The Enterprise-wide Risk Management process used by the corporation identifies any ongoing risks to interruption of service due to valueBC. The corporation is also improving its web site technologies and telecommunications to meet increasing public demand to obtain information through online channels such as the Internet or through toll-free telephone service. As part of the corporation's overall Information Systems Plan and Employee Training Plan, BC Assessment staff will continue to upgrade their skills using technology to support their work and improve customer service.

During 2007, a new Information Systems Plan will be created which will define a path for technology investments in BC Assessment for 2007 through 2010. Major components of the new plan will include increasing electronic access to assessment information by external clients and creating additional electronic links to other data sources of real property information (e.g., building permit and building plan information). New technology investments will leverage the technology investments made in the infrastructure of valueBC implemented in 2005.

Staff Engagement

In today's workplace, employees expect meaningful work, positive leadership and growth in learning. BC Assessment continues to address these expectations through progressive human resources initiatives while maintaining a high and consistent level of service to our clients.

BC Assessment seeks opportunities to work in collaboration with staff, for example, by:

- Drawing on the expertise of regional staff to lead or provide input into corporate projects and other initiatives
- Maintaining regular dialogue with the bargaining unit through several joint union-management committees aimed at resolving a wide range of issues
- Surveying staff through an annual Continuous Improvement Measures (CIM) process to identify better ways to help achieve corporate objectives and to measure best practice results

Training and Staff Development

The changing expectations of our customers require staff training that is high in quality, provides mentoring and support, and is timely and effective. The training plan provides the direction for current and future training needs at BC Assessment and will promote leadership in staff development to fulfill its current and future training needs.

Managing Change

BC Assessment is addressing change, both internally and externally, through leadership in strategic direction as presented in this 2007-2009 Service Plan and includes objectives and strategies under the following four key goals: Customer Service, Product Quality and Uniformity, Fiscal Responsibility and Human Resources Leadership.

Major initiatives for these goals include: enhancing the valueBC information system, implementing innovative and efficient valuation methodologies, streamlining regulations and cutting red tape, maintaining the Continuous Improvement Measures initiative, succession planning, creating educational programs, surveying customers, creating a Customer Service Commitment and Standards, and reviewing valuation policy.

Customer Relations

BC Assessment is committed to working closely with its wide range of customers – from homeowners to First Nations to the public and private sectors – to constantly improve on the quality of service it provides. Regular

communications and two-way dialogue with both clients and property owners is an important part of BC Assessment's efforts to build on its reputation as a trusted source for high quality property assessment information.

The corporation will continue to proactively seek partnership prospects in order to maximize opportunities to provide our products and services. Staff regularly attend and sponsor provincial, national and international conferences and events that promote industry and government networking. BC Assessment will also be surveying its major customer groups, including residential and non-residential property owners, local governments and taxing authorities, provincial government partners and First Nations annually. The results of the surveys will be considered during the external communications strategic planning process.

Information Transparency

Our customers must have confidence in the products and services that we provide. Access to information is an important key to the relationship between BC Assessment and our clients, as well as an important operational issue between area offices and Head Office divisions. The corporation is committed to providing timely and quality information to our customers.

BC Assessment's online services are expanding to provide the public with 'anytime' access to our data products and services. Our new assessment information system, valueBC, will drive much of the data for use by clients in the future. Specific audiences such as local governments will be able to access information through online systems such as Assessment LinkBC. The general public

has access to BC Assessment's web site 24 hours a day, and each year from early January to March 15, basic property assessment information is available on the web site. Assessment and Sales by Address enables homeowners to audit BC Assessment's work by comparing their property assessment to their neighbours and other similar properties.

BC Assessment also provides a variety of reports on its web site, including the current Service Plan and Annual Reports and the Answer Book – a handbook for local governments. The Shareholder's Letter of Expectations is published on the government web site so the public can view the strategic plans and agreements between Government, the Board of Directors and BC Assessment.

BC Assessment operates in compliance with the *Freedom of Information and Privacy Protection Act* to ensure high standards of information exchange and protection for our clients.

Uniform
Being consistent in the
way we treat you

Benchmarking

BC Assessment benchmarks internal processes and practices against selected North American assessment jurisdictions. The results from this benchmarking process allow the corporation to continuously improve operating efficiency and control assessment costs, while providing local governments and the provincial government with the foundation required to raise \$5 billion annually in property taxes.

BC Assessment has been working closely with a number of Canadian Assessment jurisdictions since 2002 to learn from each other's challenges and successes. We continue to exchange and review information on a confidential basis with our partners to assist us in implementing improvements within our organization. These include, but are not limited to, appraisal practice and policy development, quality measurement, audit techniques, key performance indicators, staff training and development opportunities, customer service and surveying, performance measurement, competencies for staff and our legislative framework.

BC Assessment cannot be directly compared to other assessment jurisdictions because each assessment organization is unique in its geography, roll production frequency, customer focus, marketing initiatives, funding formula and legislation. In light of these differences, it is only possible to make limited absolute direct comparisons. Despite these challenges, the corporation attends an annual national benchmarking conference to determine whether positive strategies undertaken in other assessment jurisdictions could be applied to its operations.

The International Association of Assessing Officers (IAAO) has set standards for data quality that form the basis of BC Assessment's critical assessment roll quality performance targets. The most important and widely accepted statistical measures of the quality of the assessment roll are the median Assessment-to-Sales Ratio (ASR), the Coefficient of Dispersion (COD) and the Price-Related Differential (PRD). BC Assessment regularly meets or exceeds these targets. Information on the achievement of these targets is available on pages 26 to 28, and in Appendix A.

Enterprise-wide Risk Management

BC Assessment has adopted the provincial government's Enterprise-wide Risk Management strategy. Through input from the Risk Management Branch and the Office of the Comptroller General Internal Audit and Advisory Services, BC Assessment started to implement Enterprise-wide Risk Management in 2003. This allows BC Assessment to have a structured and disciplined approach to risk management and allow the effective management of potential opportunities. This initiative aligns strategy, processes, people and technology to effectively manage the uncertainties faced by BC Assessment.

BC Assessment's customers are continually increasing their expectations for products, services and assessment roll quality. As a result, the corporation's executive and staff routinely identify risk in project-specific management plans. In order to be complete, our project management plans must identify risk, determine the degree of risk and develop methods to mitigate risk. Examples of where BC Assessment has proactively identified risks are outlined below.

RISK: Business Continuity

Strategy: A secure disaster recovery site is maintained and data can presently be restored to the previous business day. BC Assessment's Disaster Recovery Plan is to be tested and updated at least once a year with its primary purpose of ensuring that failures in the operation of valueBC and related applications will not jeopardize service.

Risk: Data Integrity

Strategy: The Research and Audit Division regularly audits data to ensure it continues to meet and exceed international standards for quality.

Risk: Financial Accountability

Strategy: The corporation maintains appropriate internal controls. It will continue reporting regularly to the Audit & Finance Committee and the Board of Directors and quarterly to the Office of the Comptroller General. BC Assessment is subject to an annual external audit, currently performed by the Office of the Auditor General.

Risk: Staff Turnover

Strategy: The Human Resources Division has implemented a forecasting model to assist with planning for staff retirements from our mature workforce. In addition, a Recruitment and Retention Strategy is being developed for 2007 that will implement specific actions aimed at marketing BC Assessment to prospective employees as well as assisting in retaining current, qualified employees.

Risk: Public Reputation and Confidence

Strategy: The Communications Division will continue development of a Customer Service Excellence Program that includes a Service Commitment and Service Standards to help guide staff interactions with the public and maintain annual customer surveys and analysis of media coverage. The Program supports the existing Standards of Conduct which are intended to protect employees and BC Assessment from allegations of conflict of interest and to prevent circumstances that could damage the reputation of BC Assessment or its employees.

Risk: Executive Management Continuity

Strategy: The Executive Management Team developed guidelines to delegate authority in the absence of the Chief Executive Officer and/or Executive Directors to ensure BC Assessment's operations will be maintained with minimal disruption.

Capacity

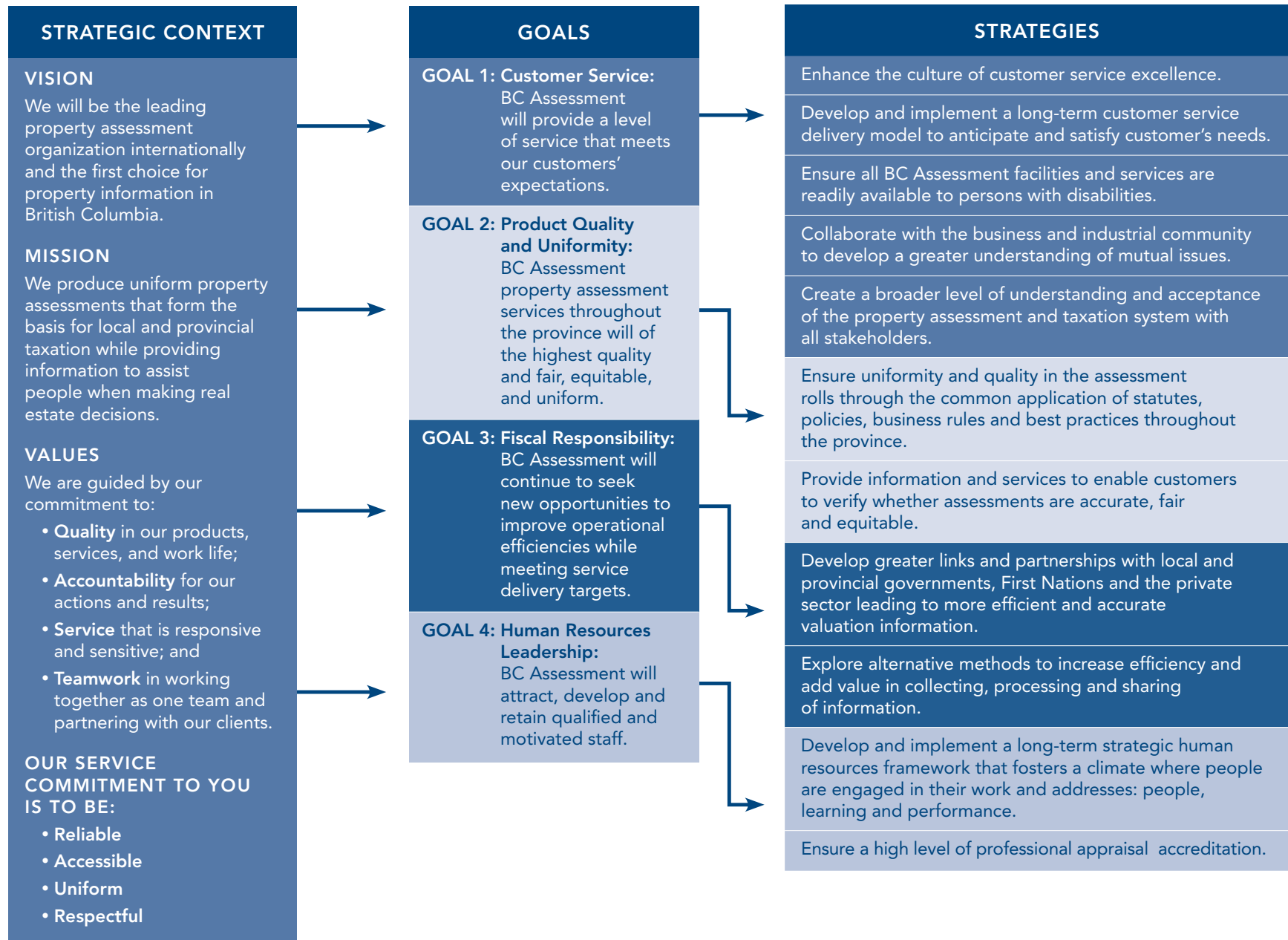
BC Assessment produces Assessment Rolls each year by the December 31 deadline and will not exceed our budget. This is accomplished while facing the following capacity challenges:

- valuing approximately 32,077 more properties in 2006 compared to 2005 and recording all new construction and development;
- recruiting and managing a large temporary workforce to facilitate deployment of permanent staff to continue delivering excellent customer service;
- losing many of our most experienced staff through retirement;
- developing strategies to maintain staffing knowledge, skills and abilities through succession planning and more effective workforce management;
- increasing scrutiny of assessments as property taxes form a greater portion of owners' expenses;
- developing and implementing the new information system; and
- experiencing an active real estate market.

BC Assessment responds to these challenges through:

- leadership and strategic planning at the Board, Executive and local office levels;
- a rigorous project management approach;
- enterprise-wide risk management;
- effective and efficient allocation of resources;
- utilization of seasonal temporary employees;
- maintaining a professional, motivated and team-oriented workforce;
- partnerships with all levels of government, stakeholders and clients;
- innovative and efficient valuation methodologies; and
- advanced technical capabilities through the new valueBC assessment information system.

Origins of Performance Indicators



PERFORMANCE MEASURES

- PM 1. Each year, 98 percent, or more, of residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.
- PM 2. Each year, 95 percent, or more, of non-residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.
- PM 3. Each year, the percentage of residential and non-residential property owners independently surveyed who had direct contact with the corporation who were either Very Satisfied or Satisfied with the level of customer service.
- PM 4. Each year, the percentage of local government/taxing authority, First Nations and provincial government customers independently surveyed who had direct contact with the corporation who were either Very Satisfied or Satisfied with the level of customer service.
- PM 5. The median Assessment-to-Sales Ratio for the:
- Residential assessment roll in British Columbia will be 97-100 percent and non-residential assessment roll in British Columbia will be 95-100 percent.
 - Non-residential assessment roll in British Columbia will be 95-100 percent.
- PM 6. The Coefficient of Dispersion for the provincial assessment roll will be:
- less than 10 percent for urban residential regions
 - less than 15 percent for rural residential regions and less than 20 percent for non-residential regions
 - less than 20 percent for non-residential properties
- PM 7. The Price-Related-Differential will be between 0.98 and 1.03 for residential properties.
- PM 8. The average cost per property for assessment services funded from property tax levies will be maintained.
- PM 9. Percentage of appraisal staff with accreditation.
- PM 10. Minimize staff turnover.



Reliable

Providing accurate products
and professional service



Goals, Strategies, and Performance Measures

To fulfill our mandate and to reach our vision, BC Assessment has established four key goals: Customer Service, Product Quality and Uniformity, Fiscal Responsibility and Human Resources Leadership.

For each goal, BC Assessment has established strategies from 2007 through 2009. Over this time frame, BC Assessment will consider what is working, what is not, and where limited resources can be utilized in the most relevant and effective manner. This requires a focus on results. Performance Measures have therefore been established to track progress. These goals, strategies and performance measures are critical in supporting the goals and direction of the provincial government. A flowchart on the preceding page outlines the corporation's strategic context, goals, strategies and performance measures in a simple, graphic format.

BC Assessment uses the provincial government's strategic plan as the guiding document to develop this Service Plan that outlines our goals, strategies and performance measures/targets. As with the government, our goals were developed in the context of fiscal responsibility and maintaining the support for communities that provide services for health and education. Our strategic direction supports the provincial government in achieving its goals as set out in the British Columbia Government Strategic Plan Update 2006/07-2008/09.

In February 2005, new measures were outlined by the provincial government for goals pertaining to education, fitness, people at risk, the environment and job creation. In February 2006, in the Provincial Government Strategic Plan 2006/07 – 2008/09, these goals were reaffirmed and are presented as follows:

1. Make British Columbia the best-educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, special needs, children at risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

To support these goals, BC Assessment produces fair, equitable and uniform property assessment rolls that provide the basis for local governments and taxing authorities to raise billions of dollars for local programs and services. Tax revenues help provide services such as transportation, schools, health services, recreational facilities, police and fire protection, water, sewer systems and garbage disposal in communities across the province.

GOAL

1. CUSTOMER SERVICE

BC Assessment will provide a level of service that meets our customers' expectations.

STRATEGIES

BC Assessment will:

- 1a. Enhance the culture of customer service excellence.
- 1b. Develop and implement a long-term customer service delivery model to anticipate and satisfy customer's needs.
- 1c. Ensure all BC Assessment facilities and services are readily available to persons with disabilities.
- 1d. Collaborate with the business and industrial community to develop a greater understanding of mutual issues.
- 1e. Create a broader level of understanding and acceptance of the property assessment and taxation system with all stakeholders.

GOAL

1. CUSTOMER SERVICE

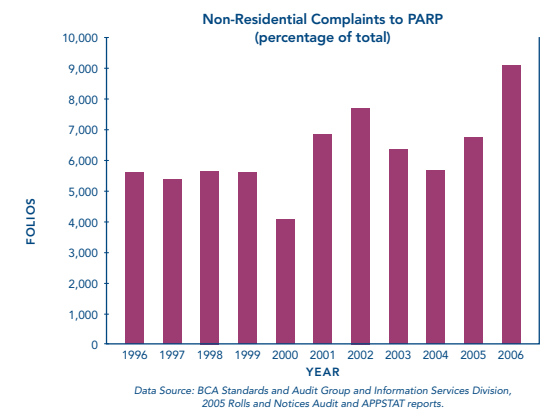
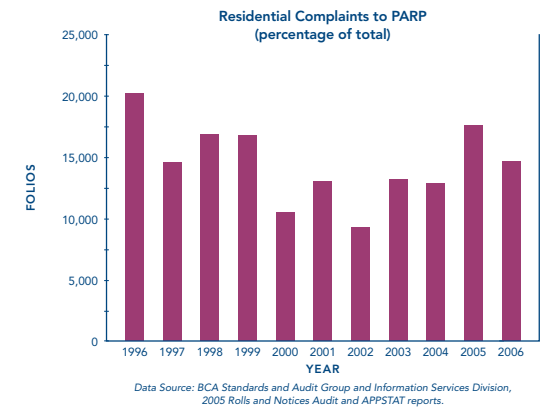
BC Assessment will provide a level of service that meets our customers' expectations.

GOAL 1: PERFORMANCE MEASURES – SUMMARY

- PM.1** BC Assessment (BCA) tracks annual statistics to determine how many residential and non-residential property owners apply in writing for an independent review of their assessment by a Property Assessment Review Panel (PARP). Historically, formal complaints have been low, usually less than 1% of all residential property owners. The Ministry of Small Business and Revenue is responsible for administering the independent PARP process each year between February 1 and March 15.
- PM.2** Formal complaints to PARP are also tracked for non-residential property owners.
- PM.3** Each year, BCA independently surveys residential and non-residential property owners, asking a variety of questions about products and services. This measure indicates the *overall* satisfaction with the quality of service for those surveyed who have had *direct* contact (e.g., phoned or visited an office; sample of 156 and 95 people respectively) with BCA. The percentage indicates those who were either Very Satisfied or Satisfied (based on a 4-point scale, with these categories reflecting the 4 and 3 scale responses).

- PM.4** Each year, BCA independently surveys local government/ taxing authority, First Nations, and provincial government customers, asking a variety of questions about products and services. (Provincial government customers were surveyed for the first time in 2006.) This measure indicates the *overall* satisfaction with the quality of service for those surveyed who have had *direct* contact (sample of 187 local government/ taxing authority, 39 First Nations and 32 provincial government clients) with BC Assessment. The percentage indicates those who were either Very Satisfied or Satisfied (based on a 4-point scale with these categories reflecting the 4 and 3 scale responses).

| PERFORMANCE MEASURES | TARGETS | | | |
|---|-------------|------|------|------|
| | 2006 Actual | 2007 | 2008 | 2009 |
| PM.1 Each year, 98 percent, or more, of residential assessments will be accepted without referral by the public to the Property Assessment Review Panel. | 99.1% | ≥98% | ≥98% | ≥98% |
| PM.2 Each year, 95 percent, or more, of non-residential assessments will be accepted without referral by the public to the Property Assessment Review Panel. | 91.8% | ≥95% | ≥95% | ≥95% |
| PM.3 Each year, the percentage of residential and non-residential property owners independently surveyed who had direct contact with the corporation, and were either Very Satisfied or Satisfied with the level of customer service. | 86% | >86% | >87% | >88% |
| PM.4 Each year, the percentage of local government/taxing authority, First Nations and provincial government customers independently surveyed who had direct contact with the corporation, and were either Very Satisfied or Satisfied with the level of customer service. | 95% | >95% | >95% | >95% |



GOAL

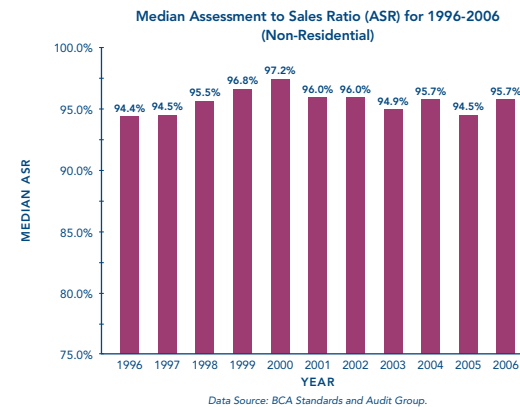
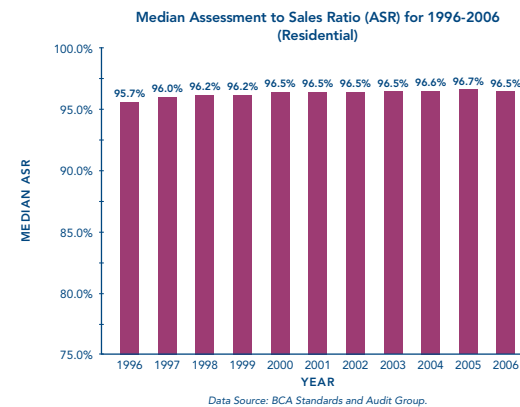
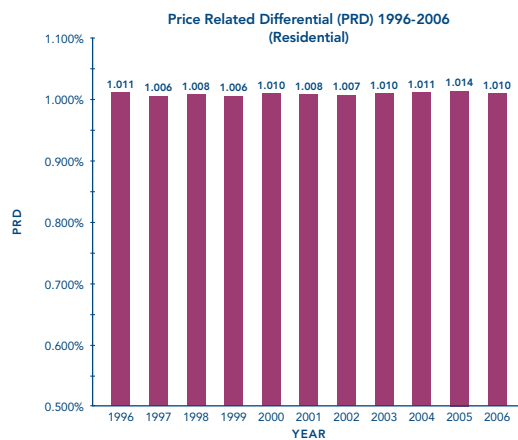
2. PRODUCT QUALITY AND UNIFORMITY

BC Assessment property assessment services throughout the province will be of the highest quality and fair, equitable and uniform.

STRATEGIES

BC Assessment will:

- 2a. Ensure uniformity and quality in the assessment rolls through the common application of statutes, policies, business rules and best practices throughout the province.
- 2b. Provide information and services to enable customers to verify whether assessments are accurate, fair and equitable.



GOAL

2. PRODUCT QUALITY AND UNIFORMITY

BC Assessment property assessment services throughout the province will be of the highest quality and fair, equitable and uniform.

GOAL 2: PERFORMANCE MEASURES – SUMMARY

The quality of Assessment Rolls can be measured through statistical audits.

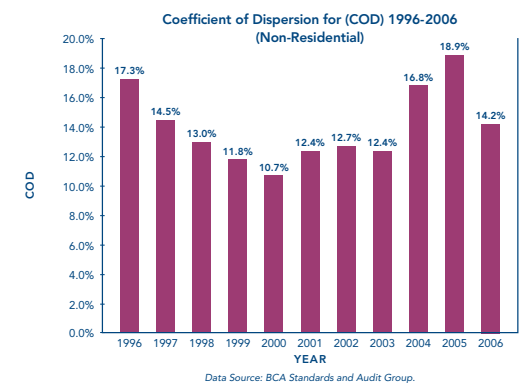
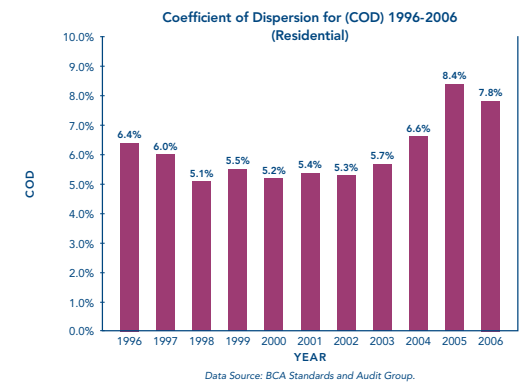
PM.5 BC Assessment (BCA) measures the Assessment-to-Sales Ratio (ASR) for residential and non-residential properties, according to internationally-recognized standards. The ASR is calculated by dividing the actual value (as determined by BCA) of a property that has sold, by its selling price, and expressing the result as a percentage. For example, if a property is assessed with a value of \$243,000, and it sold for \$250,000, the ASR would be 97.2%. In short, the ASR measures how accurately BCAA appraises property at market value. The IAAO has set a standard for a median ASR of 90 percent to 110 percent for an acceptable level of assessment achievement. BCA's target of 97 to 100 percent for residential properties and 95 to 100 percent for non-residential properties exceeds this standard.

PM.6 BCA also measures the Coefficient of Dispersion (COD) for residential and non-residential properties located in both urban and rural areas, according to internationally-recognized standards. The COD measures the quality of BCA's data by virtue of the spread of all the ASRs around its median, or middle number. The lower the COD, the better quality the product. This is a measure of appraisal uniformity. The COD standard set by the IAAO for single family residential properties is under 15 percent for homogeneous (urban) regions and under 20 percent for heterogeneous (rural) regions. BCA has set targets of under 10 percent and under 15 percent respectively for residential properties and under 20 percent for non-residential properties.

PM.7 BCA measures the Price-Related-Differential (PRD) for residential properties, according to internationally-recognized standards, to determine if assessments are 'progressive' or 'regressive'. Assessments are considered regressive if high-value properties are under-appraised relative to low-value properties. They are considered progressive if high-value properties are over-appraised relative to low-value properties. Significant progressivity or regressivity results in the inequitable distribution of the tax burden, and a good quality assessment should show no sign of either. In short, the PRD measures both the fairness and equity of the assessment rolls by comparing the level of assessment of high-valued property against low-valued property. The IAAO standard for the PRD is between 0.98 and 1.03. A PRD under 0.98 indicates progressivity; over 1.03 indicates regressivity. BC Assessment has adopted the IAAO standard for the PRD.

Residential properties include mainly single and multi-family dwellings and residential strata properties. Non-residential properties include mainly industrial, commercial and investment properties and excludes those valued by regulation and tax-exempt properties.

| PERFORMANCE MEASURES | TARGETS | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2007 Assessment Roll | 2008 Assessment Roll | 2009 Assessment Roll | 2010 Assessment Roll |
| PM.5 The median <i>Assessment-to-Sales Ratio</i> for the: <ul style="list-style-type: none"> residential assessment roll in British Columbia will be 97 to 100 percent. non-residential assessment roll in British Columbia will be 95 to 100 percent. | 96.5% | 97%-100% | 97%-100% | 97%-100% |
| | 95.7% | 95%-100% | 95%-100% | 95%-100% |
| PM.6 The <i>Coefficient of Dispersion</i> for the provincial assessment roll will be: <ul style="list-style-type: none"> less than 10 percent for urban residential regions less than 15 percent for rural residential regions less than 20 percent for non-residential properties | 7.4% | <10% | <10% | <10% |
| | 10.9% | <15% | <15% | <15% |
| | 14.2% | <20% | <20% | <20% |
| PM.7 The <i>Price-Related Differential</i> will be between 0.98 and 1.03 for residential properties. | 1.01 | 0.98-1.03 | 0.98-1.03 | 0.98-1.03 |



GOAL

3. FISCAL RESPONSIBILITY

BC Assessment will continue to seek new opportunities to improve operational efficiencies while meeting service delivery targets.

STRATEGIES

BC Assessment will:

- 3a.** Develop greater links and partnerships with local and provincial governments, First Nations and the private sector leading to more efficient and more accurate valuation information.

- 3b.** Explore alternative methods to increase efficiency and add value in collecting, processing and sharing of information.

GOAL 3: PERFORMANCE MEASURES – SUMMARY

PM.8 BC Assessment determines the average cost to the taxpayer to service an individual property by dividing total recurring operating expenses less revenue from non-tax levy sources divided by total folios. This performance measure reflects the corporation's commitment to keep assessment services costs to the taxpayer as low as possible despite meeting increased service demands in a progressively complex assessment environment. BC Assessment's objective is to ensure that the average cost per taxpayer will not increase.

| PERFORMANCE MEASURES | TARGETS | | | |
|---|----------------|---------|---------|---------|
| | 2006 Target | 2007 | 2008 | 2009 |
| PM.8 The average cost per property for assessment services funded from property tax levies will be maintained. | \$36.00 | \$37.00 | \$37.00 | \$37.00 |

GOAL

4. HUMAN RESOURCES LEADERSHIP

BC Assessment will attract, develop and retain qualified and motivated staff.

STRATEGIES

BC Assessment will:

- 4a.** Develop and implement a long-term strategic human resources framework that fosters a climate where people are engaged in their work and addresses:
- People
 - Learning
 - Performance

- 4b.** Ensure a high level of professional appraisal accreditation.

GOAL 4: PERFORMANCE MEASURES – SUMMARY

PM.9 Appraisal staff with BCA have an opportunity to obtain professional accreditation to help them perform their work, and to seek promotions within the corporation. This measure highlights BCA's commitment to support and invest in the development of its appraisal staff through professional accreditation. The previous target of 74% has been reduced to reflect a higher incidence of retiring accredited employees necessitating the recruitment of employees who will require three to five years to achieve accreditation.

PM.10 Historically, BC Assessment has experienced a low rate of staff turnover compared to similar organizations but is facing increasing challenges to recruit staff in a competitive job environment. In 2006, BCA staff turnover rate was 11%, more than double the historic average. We will minimize turnover by continuing to offer employees a challenging work environment, opportunities for advancement, competitive wages and a comprehensive benefits package.

| PERFORMANCE MEASURES | TARGETS | | | |
|--|----------------|------|------|------|
| | 2006 Actual | 2007 | 2008 | 2009 |
| PM.9 Percentage of appraisal staff with professional accreditation. | 63% | 71% | 71% | 71% |
| PM.10 Minimize staff turnover. | 11% | 8% | 8% | 8% |

Alignment with Government's Strategic Plan

BC Assessment used the British Columbia Government Strategic Plan 2006/07-2008/09 as the guiding document to develop this Service Plan that outlines our goals, strategies and performance measures/targets. As with the government, our goals and objectives were developed in the context of fiscal responsibility and maintaining the support for communities that provide services for health and education. In addition, government provides strategic direction to BC Assessment through the Shareholder's Letter of Expectations (SLE) which is available on the Internet at www.bcassessment.ca.

BC Assessment has established four key goals: Customer Service, Product Quality and Uniformity, Fiscal Responsibility and Human Resources Leadership.

Our strategic direction supports the provincial government in achieving its goals as set out in the British Columbia Government Strategic Plan 2006/07-2008/09. Specifically, BC Assessment supports the provincial government's goals in the following ways.

GOAL 1 - A Strong And Vibrant Provincial Economy

The market value property assessment process is very stable and provides the public with accurate assessment information. BC Assessment also provides its property information products and services to local governments, First Nations, banks, credit unions, law offices and other organizations to use in their daily business. BC Assessment's information is also used to assist in the administration of the Home Owner Grant and the Tax Deferment Programs.

BC Assessment also practices fiscal responsibility and is working to improve its financial position by focusing on innovation, being cost-effective and delivering services efficiently. In partnership with the provincial government, we are recommending changes to streamline the property assessment appeal system as well as other changes to assessment legislation to make it more easily understood.

The corporation's goals of Customer Service, Product Quality and Uniformity, Fiscal Responsibility and Human Resources Leadership each contribute to building a strong economic foundation for British Columbia.

GOAL 2 - A Supportive Social Fabric

BC Assessment produces fair, equitable and uniform property assessments that provide the basis upon which local governments and other authorities raised approximately \$5 billion last year to support a multitude of public services. Of this money, \$2.7 billion is collected for local governments, and \$2.3 billion is collected for schools, hospitals, and provincial government revenue. The corporation also provides assessment services on a contract basis to 55 First Nations communities in British Columbia.

The corporation's goals to develop skilled staff through Human Resources Leadership and strong Customer Service combine to provide greater social security in communities across the province.



Respectful

Maintaining positive
relationships



GOAL 3 - Safe, Healthy Communities and A Sustainable Environment

BC Assessment's products and services provide the basis for billions of dollars worth of stable tax funding to support local programs and services to help communities thrive.

By developing the skills, knowledge, and wellness of BC Assessment's employees, and by providing a safe, healthy, and harassment-free workplace, BC Assessment's goals of Human Resources Leadership and Customer Service promote safe and healthy communities in BC.

BC Assessment's work culture promotes caring for others and staff demonstrate this through their participation in various charitable and social causes throughout the province, and is committed to protecting the environment by using energy and materials wisely to conserve natural resources.

BC Assessment produces fair, equitable and uniform property assessment rolls that provide the basis for local governments and taxing authorities to raise billions of dollars worth of stable tax funding for local programs and services. On an annual basis, approximately \$2.3 billion is raised for schools and \$2.5 billion for local governments to indirectly support education, literacy, healthy living and physical fitness. Local governments, First Nations, banks, credit unions, law offices and other organizations use BC Assessment's products and services in their daily business. The corporation's data products and services, coupled with a stable market value property assessment process, supports job creation by contributing to a strong economy.

Summary Financial Outlook

Forecast Risks and Sensitivities

BC Assessment's main priorities for the planning period 2007-2009 are producing the assessment roll, continually improving customer service, streamlining and simplifying legislation and cutting red tape.

Key Assumptions

- BC Assessment has a December 31 fiscal year end.
- The corporation borrows funds to finance operations and capital expenses during the first half of each fiscal year and repays debt from the proceeds of taxes at the end of July.
- Total tax levies forecast for the years 2007-2009 increase annually, mainly due to new construction.
- In March 2005, BC Assessment signed a contract with the Greater Vancouver Transportation Authority for preparation of a parking site roll for TransLink. Revenues and costs associated with production of the first roll impact the financial summaries for 2005 and part of 2006. Revenues and costs associated with annual production and support of the roll have for subsequent years have been included for the balance of the planning period.
- Salaries and benefits are forecast to support a multi-year staffing strategy which addresses both succession needs and other risk areas to the organization and BC Assessment's customers.
- Professional and special services are higher than normal in 2005 due to significant training costs in support of valueBC implementation, and continuation of service bureau costs for the old (CAPAS) assessment system while the organization moved to the new (valueBC) assessment system.
- BC Assessment is required by legislation to cover the cost of the Property Assessment Review Panel (PARP) and the Property Assessment Appeal Board (PAAB).

Summary Financial Outlook

The following table gives the high-level 2005 financial revenue and expenditure and forecast for 2006-2009, as well as key forecast assumptions and risks.

Statement of Revenue and Expenditure

| (in \$000's) | 2005 ACTUAL | 2006 FORECAST | 2007 FORECAST | 2008 FORECAST | 2009 FORECAST |
|---|----------------|------------------|------------------|------------------|------------------|
| REVENUE: | | | | | |
| Tax levies, payments in lieu of taxes and First Nations revenue | 63,731 | 65,159 | 66,925 | 69,643 | 72,209 |
| Data access services | 3,453 | 3,520 | 3,800 | 4,000 | 4,175 |
| Contract revenue ¹ | 3,863 | 2,140 | 950 | 969 | 988 |
| Other revenue | 67 | 20 | 17 | 20 | 20 |
| Interest | 404 | 700 | 700 | 650 | 700 |
| Grant from the Province of BC ² | – | 2,369 | – | – | – |
| | 71,518 | 73,908 | 72,392 | 75,282 | 78,092 |
| EXPENDITURE: | | | | | |
| Salaries and benefits ² | 46,414 | 48,560 | 47,671 | 49,484 | 51,395 |
| Professional and special services ³ | 8,940 | 7,283 | 7,483 | 7,659 | 7,833 |
| Office premises | 4,537 | 4,707 | 4,779 | 4,688 | 5,185 |
| Office | 4,200 | 4,259 | 4,868 | 4,965 | 5,064 |
| Travel | 1,587 | 1,708 | 1,897 | 1,978 | 2,038 |
| Appeal costs | 1,885 | 2,187 | 2,217 | 2,247 | 2,277 |
| Bad debts | 32 | – | – | – | – |
| Interest | 87 | 115 | 115 | 115 | 115 |
| Amortization | 3,000 | 3,071 | 3,362 | 4,146 | 4,185 |
| | 70,682 | 71,890 | 72,392 | 75,282 | 78,092 |
| Excess of revenue over expenditure | 836 | 2,018 | – | – | – |

Capital Expenditures

(in \$000's)

| | 2005 ACTUAL | 2006 FORECAST | 2007 FORECAST | 2008 FORECAST | 2009 FORECAST |
|--|----------------|------------------|------------------|------------------|------------------|
| | 4,848 | 2,597 | 2,876 | 6,085 | 1,300 |

Staffing

Number of full time equivalent (FTE) staff

| | 2005 ACTUAL | 2006 FORECAST | 2007 FORECAST | 2008 FORECAST | 2009 FORECAST |
|--------------------------------------|----------------|------------------|------------------|------------------|------------------|
| Number of Full Time Equivalent (FTE) | 681 | 673 | 671 | 681 | 681 |

¹ In March 2005, BC Assessment signed a contract with the Greater Vancouver Transportation Authority for preparation of a parking site roll for TransLink. Revenues and costs associated with the initial contract to produce the first roll are included in the 2005 and 2006 financial summaries. Estimated revenues and costs for updating the roll have been included for the remainder of the planning period.

² Salaries and benefits for 2006 include an incentive payment to employees funded by a grant from the Provincial Government totaling \$2.4 million.

³ Professional and special services in 2005 included significant non-recurring costs in support of the new assessment system implementation (valueBC), the most significant of which were staff training and the continuation of service bureau costs for the old assessment system (CAPAS) during the transition period from CAPAS to valueBC.

Appendices

APPENDIX A:

2007 COMPLETED ASSESSMENT ROLL RESULTS

Residential Property

The following table summarizes the provincial results for single family residential properties. These properties represent 57.1 percent of the parcels in BC and 53.0 percent of the market derived value on the Assessment Roll.

The median ASRs in all categories are well within acceptable levels, being only slightly below BC Assessment target of 97-100 percent. The CODs are extremely good, well under BC Assessment target of below 10 percent for homogeneous (urban) areas and below 15 percent for heterogeneous (rural) areas. All the PRDs also fall within the target range of 0.98 to 1.03.

For the province, from April 1 until September 30, 2006, 95.6 percent of sales value was captured on the Assessment Roll (\$14.483 billion actual value/\$15.156 billion sales prices).

Roll Quality – 2007 Completed Roll SINGLE FAMILY RESIDENTIAL PROPERTY (April-Sep)

| JURISDICTION TYPE | SALES | MEDIAN ASR ¹ | COD ² | PRD ³ |
|--|--------|-------------------------|------------------|------------------|
| All Jurisdictions | 35,289 | 96.5% | 7.8% | 1.010 |
| City | 20,968 | 96.6% | 7.4% | 1.008 |
| District | 8,613 | 96.6% | 7.2% | 1.013 |
| Town | 1,261 | 96.4% | 7.8% | 1.008 |
| Village | 671 | 96.6% | 10.0% | 1.011 |
| Rural | 3,776 | 95.5% | 10.9% | 1.023 |
| VERTICAL ANALYSIS CATEGORY | SALES | MEDIAN ASR ¹ | COD ² | PRD ³ |
| High End Housing (Manual Classes: 070s, and 160s and above) | 967 | 95.8% | 7.3% | 1.008 |
| Mid Range Housing (Manual Classes: 140s and 150s) | 21,552 | 96.6% | 6.8% | 1.009 |
| Low End Housing (Manual Classes: 030 to 060s and 080 to 090s) | 10,394 | 96.4% | 9.4% | 1.011 |

¹ The ASR is calculated by dividing the actual value (as determined by the British Columbia Assessment Authority) of a property that has sold by its selling price, and expressing the result as a percentage. For example, if the British Columbia Assessment Authority assessed a property with a value of \$243,000, and it sold for \$250,000, the ASR would be 97.2 percent.

² The COD measures how closely a group of numbers is clustered around its median, or middle number. The lower the COD, the better quality the product.

³ The PRD measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-appraised relative to low-value properties, and progressive if high-value properties are over-appraised relative to low-value properties. Significant progressivity or regressivity results in inequitable distribution of the tax burden. A good quality assessment roll should show no sign of regressivity or progressivity.

Appendices

Non-Residential Property

The following table summarizes the provincial results for sales of multi-family, strata rental, stores, office buildings and other commercial properties. The median ASRs and CODs are all in acceptable ranges for this broad stratification of non-residential properties.

Roll Quality – 2007 Completed Roll
NON-RESIDENTIAL PROPERTY (Jan-Oct)

| CATEGORY | SALES | MEDIAN ASR ¹ | COD ² | PRD ³ |
|-------------------|-------|-------------------------|------------------|------------------|
| Multi-Family | 469 | 95.4% | 10.7% | 1.011 |
| Strata Rental | 509 | 98.7% | 9.8% | 0.978 |
| Commercial Stores | 576 | 93.7% | 14.2% | 1.025 |
| Office Building | 149 | 95.0% | 11.4% | 1.064 |
| Conversions | 139 | 99.2% | 9.3% | 1.028 |
| Other Commercial | 768 | 93.7% | 20.6% | 1.083 |

¹ The ASR is calculated by dividing the actual value (as determined by the British Columbia Assessment Authority) of a property that has sold by its selling price, and expressing the result as a percentage. For example, if the British Columbia Assessment Authority assessed a property with a value of \$243,000, and it sold for \$250,000, the ASR would be 97.2 percent.

² The COD measures how closely a group of numbers is clustered around its median, or middle number. The lower the COD, the better quality the product.

³ The PRD measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-appraised relative to low-value properties, and progressive if high-value properties are over-appraised relative to low-value properties. Significant progressivity or regressivity results in inequitable distribution of the tax burden. A good quality assessment roll should show no sign of regressivity or progressivity.

Appendices

APPENDIX B: CUSTOMER SURVEYS

BC Assessment independently surveys customer groups on a regular basis to gauge how they perceive the corporation's mandate, products and resulting customer service. Corporation staff are involved in developing the survey questions and an independent market research company conducts the polling by telephone. BC Assessment has conducted large-scale surveys with residential property owners in 1991, 1993, 1998, 2004-2006. A standing committee reviews the survey results each year, and determines where improvements to customer service can be made.

The residential property owners customer surveys, conducted in 2004-2006 surveyed individuals across the province representing three groups: a) those having no contact with BC Assessment within the previous year (other than to receive an assessment notice); b) those who had appealed their assessment within the previous two years; and, c) those who had received a property inspection within the previous two years. The results validated that these customers have a high level of satisfaction with the quality of service they received from BC Assessment. Public perception of BC Assessment was considered strong, and homeowners believed the assessment method to estimate their property's value was fair.

In 2005 and 2006, BC Assessment also conducted surveys with four additional key customer groups – non-residential, First Nations, provincial government and local government/taxing authorities – using a similar methodology as the residential property owners customer survey.

BC Assessment plans to conduct similar independent surveys on an annual basis in 2007-2009 to use as a performance benchmark measure to improve customer service.

Glossary of Terms

Assessment

An assessment is the determination of a property's market value as of July 1 each year. On December 31, BC Assessment mails a Property Assessment Notice to each property owner. The Property Assessment Notice shows the property's market value and contains other important information about the property.

Assessment-to-Sales Ratio

The Assessment-to-Sales Ratio (ASR) is calculated by dividing the assessed value as determined by BC Assessment) of a property that has sold by its actual selling price, then expressing the result as a percentage. A property with an assessed value of \$243,000 that sold for \$250,000, for example, would have an ASR of 97.2 percent.

Coefficient of Dispersion

The Coefficient of Dispersion (COD) measures how closely a group of numbers is clustered around its median, or middle, number. The lower the COD, the better the product.

Completed Roll

The Completed Roll is produced by BC Assessment and approved by the Assessment Commissioner in December of each year for taxation the following year.

Market Value

Market value is the price expected if a reasonable amount of time is allowed to find a purchaser and if both seller and prospective buyer are fully informed. For assessment purposes in British Columbia, market value is the most probable price that an unencumbered property would sell for on the open market on July 1.

Price-Related Differential

The Price-Related Differential (PRD) measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-assessed relative to low-value properties. Assessments are progressive if high-value properties are over-assessed. Progressivity or regressivity result in an inequitable distribution of the tax burden.

Property Assessment Review Panel

The Property Assessment Review Panel is a three-member panel appointed annually by the provincial government to review property assessments. The panel ensures that the review is fair and impartial. The panel hears evidence to determine if a property has been valued or classified correctly, or if exemptions were properly applied. Neither the Property Assessment Review Panel nor BC Assessment has jurisdiction or control over taxes or tax rates. Only property assessments may be reviewed. Property taxes cannot be reviewed. Property Assessment Review Panels are independent of BC Assessment and the taxing jurisdictions.

Revised Roll

The Revised Roll includes amendments made by the Assessor and the Property Assessment Review Panels during February and March of each year.

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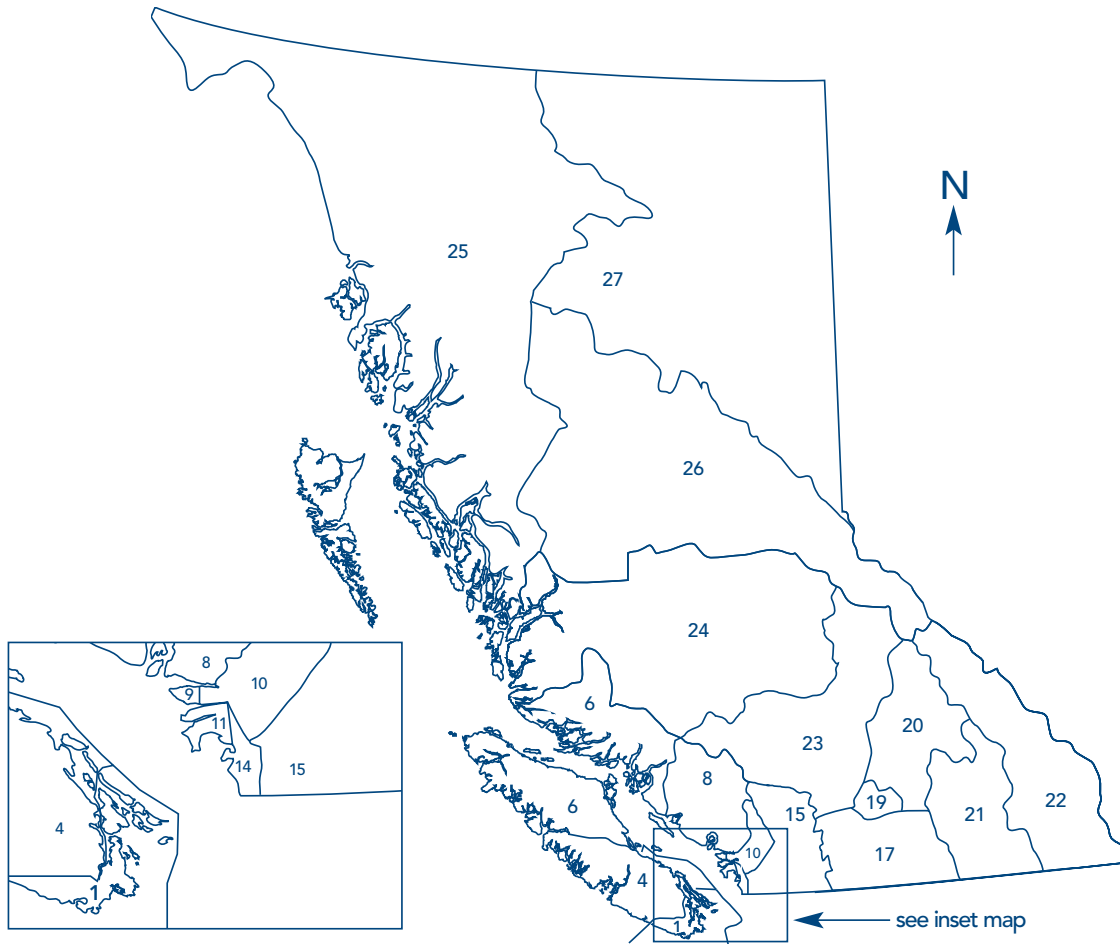
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Assessment Areas Map



| REGION | ASSESSMENT AREAS |
|----------------------|--|
| Capital | 01 - Capital |
| Vancouver Island | 04 - Central Vancouver Island 06 - Courtenay |
| Vancouver Sea-to-Sky | 08 - North Shore/Squamish 09 - Vancouver |
| North Fraser | 10 - North Fraser |
| South Fraser | 11 - Richmond/Delta 14 - Surrey/White Rock |
| Fraser Valley | 15 - Fraser Valley |
| Okanagan | 17 - Penticton 19 - Kelowna 20 - Vernon |
| Kootenays | 21 - Nelson/Trail 22 - East Kootenay |
| Thompson/Cariboo | 23 - Kamloops 24 - Cariboo |
| The North | 25 - Northwest 26 - Prince George 27 - Peace River |

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