

# BC Assessment

40 YEARS OF VALUE TO BC

2014-2016 SERVICE PLAN



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## MESSAGE FROM THE BOARD CHAIR TO THE MINISTER RESPONSIBLE

The *2014–2016 Service Plan* articulates BC Assessment’s commitments to the people of British Columbia and allows us to be more open and accessible to the people we serve. The service plan establishes the strategic framework for our activities and provides the foundation for future performance measurement.

The Honourable Coralee Oakes  
Minister of Community, Sport and Cultural Development  
Government of British Columbia

Dear Minister,

The 2014-2016 Service Plan articulates BC Assessment’s commitments to our customers and allows us to be more open and accessible to the people of BC. The service plan establishes the strategic framework for our activities and provides the foundation for future performance measurement.

Growth in the number and value of properties comprising the assessment roll continues to challenge our organizational capacity to deliver our mandate at the highest quality. Approximately 19,000 new folios were added to the 2014 Assessment Roll representing an increase of almost 49% in the per employee ratio from 1990. In 1990 the ratio was 1,979 folios per employee compared with a ratio of 2,948 folios per employee in 2013. However, BC Assessment also has many opportunities to leverage technology to create efficiencies and to enhance productivity, communication and collaboration with our customers, partners and the provincial government.

We will invest in our people and technology to continually find opportunities to improve services for our customers. Taxing authorities are one of our principal customer groups, and they include local governments, First Nations that have taxing authority, and the provincial government Surveyor of Taxes. Other key customer groups include residential homeowners, non-residential businesses and government property owners. A high standard of customer service is critical to our success. Our customers have always demanded a uniform and accurate assessment roll but they are increasingly expecting a variety of options as to how and when they access products, services and information.

BC Assessment is a knowledge-based organization; it is our highly experienced professional people who support our success. I want to thank all our employees for committing to the vision and strategies of BC Assessment. We will continue to invest in learning to ensure that our people have leadership and change management skills to help us achieve our strategic direction. This investment will enable us to continue to deliver a high quality of products and services to our customers.

During the planning period, BC Assessment will explore alternative delivery models by focusing on leveraging the high quality of our property information to enhance partnerships and share costs. BC Assessment is committed to supporting the government’s vision of a strong economy and secure tomorrow.

We look forward to continuing to supporting British Columbians.

Sincerely,



Judy Rogers  
Chair, Board of Directors

### Accountability Statement

BC Assessment’s *2014–2016 Service Plan* was prepared under the Board’s direction in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles. The service plan is consistent with the B.C. government’s strategic priorities and fiscal plan.

All significant assumptions, policy decisions, events and identified risks as of November 8th, 2013 have been considered in preparing the service plan. The performance measures presented are consistent with BC Assessment’s mandate and goals, and focus on aspects critical to the organization’s performance. The targets in the service plan have been determined through evaluation of BC Assessment’s operating environment, forecast conditions, identified risks and past performance.

The Board of Directors is accountable for the contents of the service plan, including selection of the performance measures and targets.



## ORGANIZATIONAL OVERVIEW

### MANDATE AND ROLE

BC Assessment is a provincial Crown corporation with the legislated mandate to establish and maintain assessments that are uniform in the whole of British Columbia, in accordance with the *Assessment Act*.

While BC Assessment has no direct role in property taxation, it plays an integral and impartial role in the provincial property taxation system by producing an accurate and uniform assessment roll each year. Property values on the assessment roll form the basis of distributing property tax, providing the foundation for a stable tax base for taxing authorities.

In 2013, more than \$6 billion in general property tax revenue was generated. This funding allows communities to sustain the community services, transportation and utility infrastructure, schools, police and fire services, parks, and recreational and cultural services that provide broad public benefits to British Columbians.

### STRATEGIC DIRECTION

BC Assessment's strategic direction is developed by the Board of Directors and Executive Management Team in consideration of information gathered from the Provincial Government, all levels of BC Assessment staff and our customers.

The vision, mission and values are integral to our day-to-day work. They guide how we interact with our fellow employees, the provincial government and other stakeholders by providing the common ground on which to build and achieve our goals.

BC Assessment's customer service commitment is a key part of our promise to our customers, and reflects what our customers have told us they value most.

BC Assessment has refined its strategic direction for 2014–2016 by identifying four goals: our customers, our people, our work and our partnerships; and by writing a 10-year story to capture the direction of our organization. Our 10-year story, a long-term overview of how we envision our organization in the future, reflects our commitment to becoming a more flexible workplace for our people and a trusted provider of innovative products and services to our customers. We will continue to pursue operational excellence through the development of beneficial cost-sharing partnerships and the continuous improvement of our processes to become a leader in the provision of property information in B.C. Our strategic context is further discussed on page 9.

### HISTORY

Prior to the formation of BC Assessment, local governments depended on their own separate assessment organizations. Assessment criteria and valuation methods varied, and assessments were frequently challenged and often difficult to defend. By 1973, with 140 independent assessment organizations in B.C., the situation had grown into a serious provincial crisis of trust. Alarmed with the rising incidence of equity grievances, and pressured by property owners and the public sector, the provincial government created the BC Assessment Authority. Six months later, the Authority created B.C.'s first impartial and independent assessment roll.

When established in 1974, BC Assessment had 879,125 folios on the assessment roll, with a value of \$42.2 billion, and was supported by 704 staff. In 2013, approximately 660 full-time staff managed a portfolio that had more than doubled to 1.95 million folios, with a value of over \$1.1 trillion.

For more information, see BC Assessment's [history](#) online.

#### VISION

**We are trusted to value B.C.**

#### MISSION

**To create uniform assessments which are relied upon to build sustainable communities throughout B.C.**

#### VALUES

**Integrity:** We act in an ethical manner and we honour our commitments

**Transparency:** We are fair and open in how we conduct our business

**Impartiality:** We are objective and unbiased. We do our work and make our decisions without favour or prejudice

**Innovation:** We provide creative business solutions and support a culture of continuous improvement

#### CUSTOMER SERVICE COMMITMENT

**Reliable:** We offer accurate products and services

**Accessible:** We provide timely access to staff and information

**Uniform:** We are consistent and fair in the way we treat you

**Respectful:** We maintain positive relationships both internally and externally

## CORE PRODUCTS AND SERVICES

The provision of an annual assessment roll is central to BC Assessment’s work (*Table 1*). The assessment roll contains the legal description, ownership information, assessed value, use classification, tax exemption status and other details for every property in B.C. Each year, BC Assessment determines the market value of properties as of July 1. On December 31, an annual assessment roll is provided to each taxing jurisdiction. For the 2014 roll, BC Assessment sent over two million assessment notices to B.C. property owners.

For more information on property classifications and the appraisal process, please see BC Assessment’s [fact sheets](#).

BC Assessment also provides a range of assessment-related data and services to our customers, to support assessment comparisons, valuation inquiries, tax revenue forecasts, property-related investment decisions, and real estate market analysis.

Selected property assessment information is available year-round through the [e-valueBC](#), an online service.

TABLE 1: BC ASSESSMENT’S CORE PRODUCTS	
Product	Detail
Assessment Roll	<b>Completed Roll</b> – Annual assessment roll completed, approved by regional assessors by December 31 and used by taxing authorities to calculate taxation in the following year
	<b>Revised Roll</b> – Includes amendments made by a Property Assessment Review Panel (PARP) during February and March
	<b>Supplementary Roll</b> – Contains changes and corrections, including decisions from the Property Assessment Appeal Board (PAAB); supplementary rolls are issued between April and December
	<b>Grant Roll</b> – Contains the assessed value of properties that are exempt from property taxation, such as government properties, schools and hospitals; a total of 10 grant rolls (e.g., BC Hydro, BC Rail) are issued by March 31 and serve as the foundation for payments in lieu of property taxes
First Nations Assessment Roll	BC Assessment completes an assessment roll for First Nations that have authority to establish independent real property taxation systems
Assessment Notice	An assessment notice details the assessed value of the land and any improvements on the property; assessment notices are mailed to every person designated on the assessment roll to receive one
Statutory Report	A statutory report gives value summaries for specific taxation purposes, such as funding for school districts, regional districts, local areas, and hospital and transit services

## Fair and Accurate Assessments

BC Assessment must deliver property assessments that are fair and accurate. Property owners have access to a range of options to ensure the accuracy and impartiality of their assessment. Local BC Assessment appraisers can often resolve issues with a property owner early in the year, following delivery of assessment notices. In cases where informal resolution is not possible, the matter can be forwarded by January 31 to a local Property Assessment Review Panel (PARP), held from February to mid-March.

Prior to April 30, property owners may appeal panel decisions to the Property Assessment Appeal Board (PAAB), which is independent from the PARP process, the provincial government and BC Assessment. PAAB decisions may be further appealed to higher courts based only on points of law.

For more information on appeal processes and timelines, please visit the B.C. government [Property Assessment Review Panel](#) and [Property Assessment Appeal Board](#) websites.

## CUSTOMERS, Partners AND STAKEHOLDERS

Taxing authorities are one of our principal customer groups, and they include local governments, First Nations that have taxing authority, and the provincial government Surveyor of Taxes within the Property Taxation Branch of the Ministry of Finance. Other key customer groups include residential homeowners, non-residential businesses and government property owners (*Table 2*). Customers can access our products and services through a range of service channels, including assistance at one of our 15 local area offices in person, by phone or online. BC Assessment works closely with its Shareholder (the provincial government) to assist in the development of assessment policy and to ensure that the government is aware of emerging issues.



Local government taxing jurisdictions are among our primary stakeholders, and are represented by organizations such as the Union of British Columbia Municipalities, the Local Government Management Association, the Municipal Information Systems Association of British Columbia, the First Nations Tax Commission and the Government Finance Officers Association of British Columbia. BC Assessment has enhanced consultation with taxing jurisdictions through the establishment of a [Taxing Jurisdiction Advisory Committee](#).

BC Assessment also consults with a variety of property owner groups. We work directly with a number of partner organizations such as the Canadian Property Taxpayers Association, Appraisal Institute of Canada, the Real Estate Institute of British Columbia, the Sauder School of Business at the University of British Columbia, the Integrated Cadastral Information Society (ICIS) and the International Association of Assessing Officers (IAAO) to continually improve the assessment system in B.C.

BC Assessment has evolved the use of its geographic information system and mapping technologies to enhance business performance. We have achieved complete electronic assessment-mapping coverage of the province, improving the consistency and uniformity of our valuation processes.

Through ICIS, BC Assessment has contributed to building strong partnerships with local governments and utilities to establish a base cadastre (mapping fabric) for the province that a variety of organizations use in their operations. With the emerging use of a wider range of geospatial technologies, BC Assessment, along with ICIS and the Land Title and Survey Authority, is playing a leadership role in the evolution of partnerships to support broader application of geospatial technologies and imagery for greater public benefit.

TABLE 2: BC ASSESSMENT'S CUSTOMERS	
<b>Residential</b> 341,557 rural folios 1,412,879 urban folios	<b>Local Government</b> 30 regional districts 147 municipalities 55 improvement districts
<b>Non-Residential</b> 168,882 market folios 27,876 non-market folios	<b>First Nations</b> 74 First Nations
<b>Provincial Government</b> <b>Surveyor of Taxes</b>	<b>Government Property Owners</b>



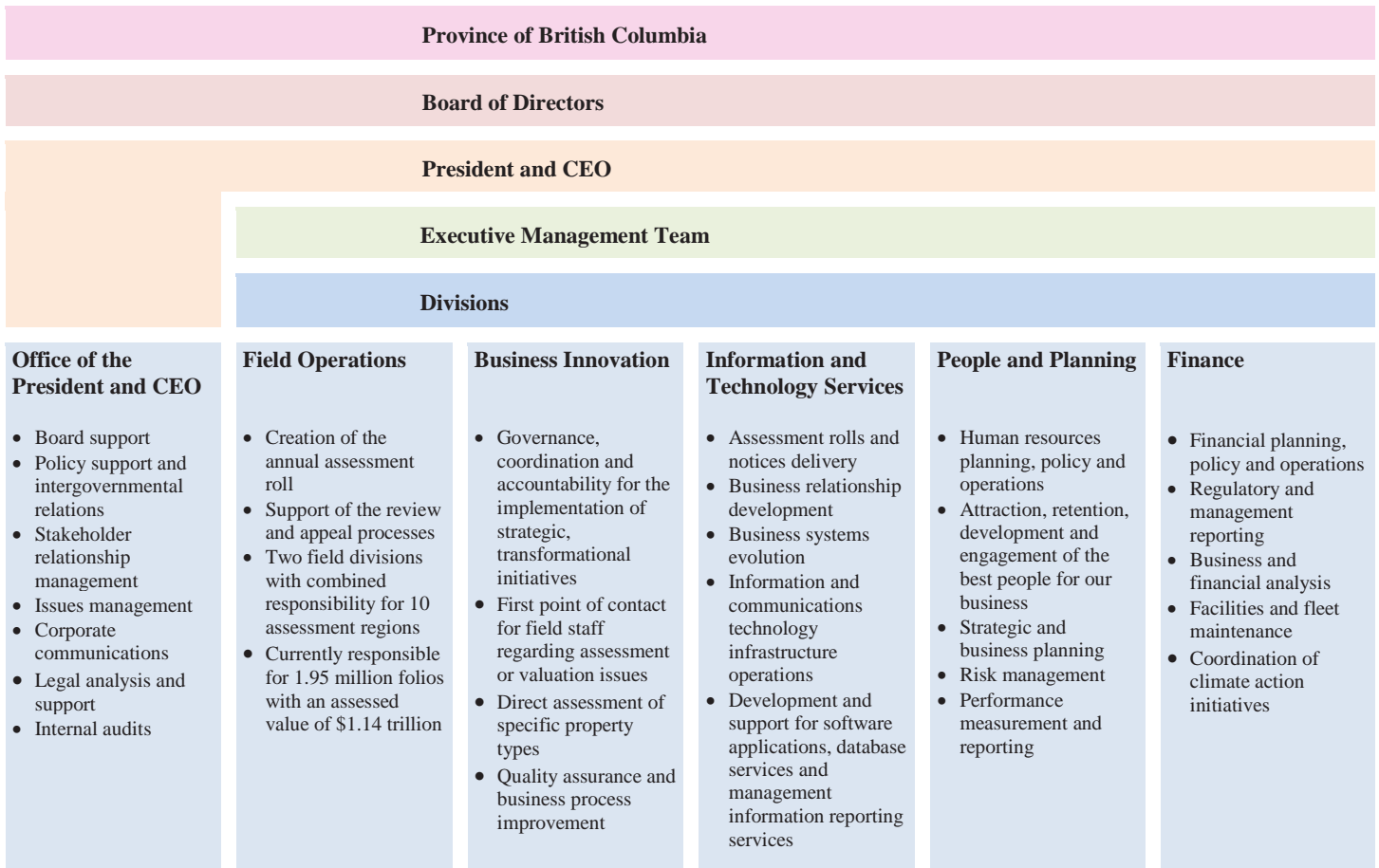
## Organizational STRUCTURE

BC Assessment currently employs approximately 660 full-time staff in the head office and the 15 area offices. The primary points of customer service are the area offices, which are geographically dispersed across B.C.

Additional information on the location of our assessment regions and area offices can be found online.

Figure 1 summarizes BC Assessment’s governance and organizational structure, including roles and responsibilities.

**FIGURE 1: BC ASSESSMENT’S GOVERNANCE AND ORGANIZATIONAL STRUCTURE**



## CORPORATE GOVERNANCE

### BOARD OF DIRECTORS

The Board of Directors occupies a central role in the governance of BC Assessment. The Board has the general duty to guide the strategic direction of BC Assessment and oversee management in the conduct of the organization’s business. In carrying out these duties, the Board has a role in policy-making, strategic planning processes and performance monitoring. The Board also has exclusive jurisdiction to regulate the valuation rates of certain properties in the province. *Figure 2* shows the committee structures and membership for the Board of Directors. The operations of the Board of Directors complies with the principles included in the provincial government’s *Best Practice Guidelines: BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations*.

Further information regarding BC Assessment’s governance can be found on our website.

**FIGURE 2: BOARD OF DIRECTORS MEMBERSHIP AND COMMITTEE STRUCTURE**

<b>Board of Directors</b>	<b>Mandate:</b> The Board has the general duty to guide the organization’s strategic direction and oversee management in the conduct of its business; the Board sets the standards for BC Assessment’s organizational conduct and acts as the guardian of corporate values	<b>Chair:</b> Judy Rogers	<b>Members:</b> Richard Taylor (Vice Chair), Sheila Eddin, Philip Foucher, Shelley Gilbert, Deborah Nelson, Ernest Jack, Ron Miles, Charlotte Salomon, Josh Smienk, Ben Vanderhorst
<b>Audit and Risk Management Committee</b>	<b>Purpose:</b> The operations of BC Assessment are primarily funded by British Columbians through an annual tax levy; the Board of Directors has delegated to the Audit and Risk Management Committee the responsibility to provide assurance that those public funds have been expended in accordance with carefully considered plans that support the organization’s mandate, have been accurately accounted for, and are reported in a timely and transparent way	<b>Chair:</b> Richard Taylor	<b>Members:</b> Richard Taylor, Philip Foucher, Ben Vanderhorst, Shelley Gilbert
<b>Governance Committee</b>	<b>Purpose:</b> The Governance Committee is responsible for ensuring that BC Assessment and its Board develop and implement an effective approach to corporate governance; this oversight enables the business and affairs of the organization to be carried out, directed and managed with the objective of ensuring compliance with governance practices and sound ethical principles	<b>Chair:</b> Josh Smienk	<b>Members:</b> Jon Smienk, Ernest Jack, Judy Rogers, Ron Miles
<b>Human Resources and Compensation Committee</b>	<b>Purpose:</b> The Human Resources and Compensation Committee assists the Board in fulfilling its obligations relating to human resource and compensation issues; the committee maintains a focus on the performance development of the President and CEO and on the key strategic human resource priorities	<b>Chair:</b> Ben Vanderhorst	<b>Members:</b> Ben Vanderhorst, Sheila Eddin, Charlotte Salomon, Deborah Nelson

### Executive Management Team

Responsibility for day-to-day management of BC Assessment is delegated to the President and CEO, who leads BC Assessment in achieving the corporate goals and priorities established by the Board of Directors, sets standards for organizational conduct and recommends new initiatives to the Board. The Executive Management Team at BC Assessment has six members (*Table 3*):

TABLE 3: BC ASSESSMENT EXECUTIVE MANAGEMENT TEAM	
<ul style="list-style-type: none"> <li>• <b>Connie Fair</b> President and Chief Executive Officer</li> </ul>	<ul style="list-style-type: none"> <li>• <b>John Madden</b> Vice President, People and Planning</li> </ul>
<ul style="list-style-type: none"> <li>• <b>David Highfield</b> Vice President, Field Operations</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Hart Mauritz</b> Vice President, Business Innovation</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Andy Hoggarth</b> Vice President, Finance and Executive Financial Officer</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Harry Mercer</b> Vice President, Information and Technology Services</li> </ul>

The responsibilities of the Executive Management Team may be found online.

## STRATEGIC CONTEXT

The following section gives an overview of the external and internal strategic issues facing BC Assessment, providing information on the operating environment, opportunities, risks and organizational capacity.

### Market Conditions

Growth in the number and value of properties comprising the assessment roll continues to challenge our organizational capacity to deliver quality assessment services. As illustrated in *Figure 3*, annual increases in the number of new properties (folios) that require assessment services display a steady upward trend, and approximately 19,000 new folios were added to the 2014 Assessment Roll. The total roll value increased by more than \$12.8 billion from the 2013 Assessment Roll and exceeds \$1.1 trillion (*Figure 4*).

The assessment values reported to taxing authorities and property owners are based primarily on real estate values. Significant changes in the economy tend to be reflected in both the level of new construction and the real estate market. For example, the value of general non-market change (new construction/rezoning) for the 2014 Assessment Roll was \$17.54 billion; an increase from the level seen for the 2013 Assessment Roll (*Figure 5*).

When property values change rapidly, maintaining a stable and predictable tax base becomes more difficult, creating uncertainty for financial planning by local governments.

Real estate market fluctuations of the past few years may also make it more difficult for customers to trust property assessments, which can result in an increased number of appeals (*Figure 6*). Appeal rates for the 2014 Assessment Roll will be reported in the *2013 Annual Service Plan Report*, to be published in May 2014.

FIGURE 3: NUMBER OF FOLIOS IN THE ASSESSMENT ROLL

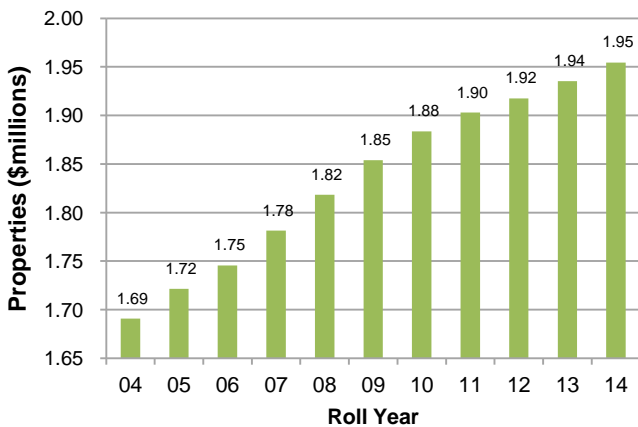


FIGURE 4: VALUE OF THE ASSESSMENT ROLL

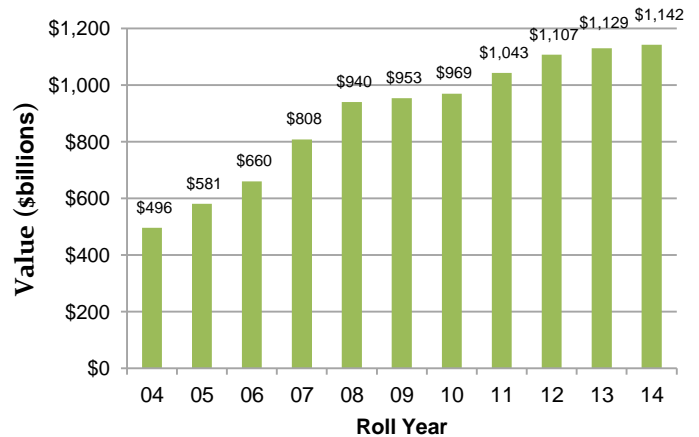


FIGURE 5: VALUE OF NON-MARKET CHANGE

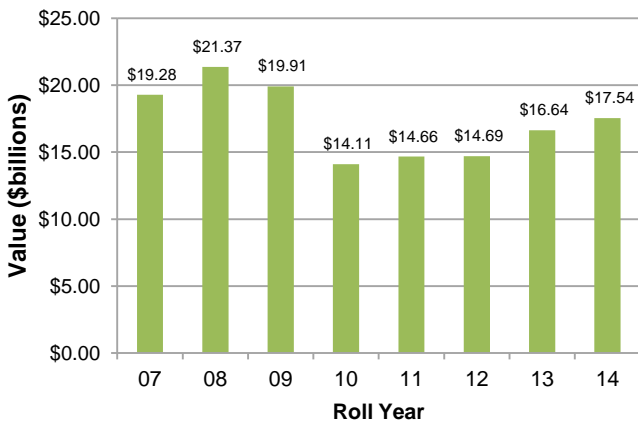
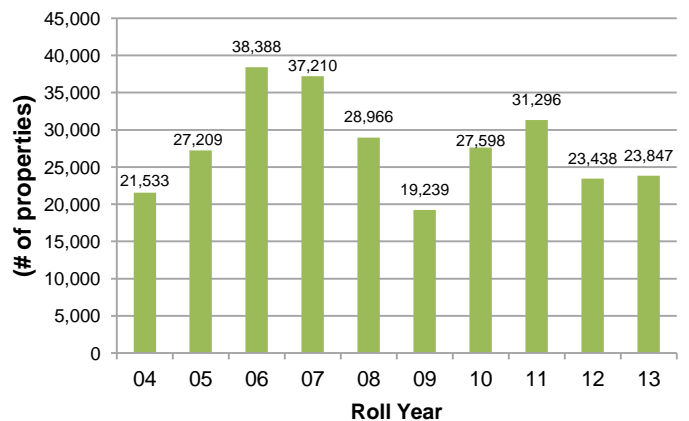


FIGURE 6: APPEALS TO PROPERTY APPEAL REVIEW PANEL



## Customer Expectations

BC Assessment's various customer groups expect high-quality products and services, and a uniform and accurate assessment roll. Customers also increasingly expect a variety of options as to how and when they access products, services and information. A high standard of customer service is critical to our success. We regularly survey our customer groups in order to measure their satisfaction, and work with our customers through a variety of processes to identify methods for improving service. We have posted the results of our [2012 customer surveys](#). Our next customer surveys will take place in 2014.

Since 2011, BC Assessment has worked with each of its customer groups to establish service standards which will be implemented in 2014. We will also continue to work with our customers to develop specific customer strategies for each of our customer groups.

## TECHNOLOGY

Technology continues to have a huge impact on business and customer expectations. The speed at which information, mobile and social solutions are evolving in the market means that BC Assessment needs to accelerate its offerings to keep pace with our data-hungry, mobile and social population and partners. Our challenge is to meet that demand while maintaining our enabling technology and the integrity of our information.

Our multi-year Information Management / Information Technology Plan is focussed on delivering technology in support of our 10 year story and the 50 or so Technology projects that have been identified to deliver our strategic plan.

There are three critical focus areas, as these are key to the delivery of the rest of our plan:

- Next Generation Value BC (NGVBC) - a new core system for the management and analysis of property data,
- BC Portal which will allow us to interact our customers and partners on device of their choosing, and
- Information management – the strategy & tools to allow us to manage access to our rich data store.

We will build off these platforms to deliver social capabilities, information and collaboration tools, allowing us to communicate with our customers and partners, using their preferred communications channels and delivering the information and tools they require.

## DATA QUALITY

Data quality is at the heart of BC Assessment's ability to create uniform assessments that can be relied on to provide a tax base across the province that ensures fair sharing of taxes. Feedback from the Taxing Jurisdiction Advisory Committee, our surveys and those who buy assessment data has indicated that customers place a high priority on quality data.

Ensuring that BC Assessment meets customer expectations for data quality remains a challenge in the face of static staffing levels combined with large increases in both the number of folios and the overall value of the assessment roll each year. To meet these customer expectations, quality enhancement projects in field operations and central functions are planned and implemented each year. We have also established goals to pursue innovative ways to create an up-to-date inventory.

## FINANCES

BC Assessment is funded primarily through property tax levies administered by the taxing authorities – budgeted to be \$83,482 million in 2014. In addition, BC Assessment receives approximately \$4,815 million in revenue each year from a number of other sources, including contracts with First Nations, payments in lieu of taxes and data sales.

The latter includes provision of bulk electronic assessment roll, sales and residential inventory data, custom reports, and enhanced data provision with BC OnLine and private sector data agents. Revenue from all these non-tax sources helps reduce the levy paid by property owners.

The organization collects its revenues from taxing authorities in July of each year. BC Assessment borrows funds from the provincial government to finance operations and capital expenditures during the first half of the year and repays its debt in full by August of each year. The Minister of Finance acts as the fiscal agent of BC Assessment.

The Board of Directors approves the annual operating and capital budget. The annual levy is approved by the Board following the provincial Cabinet's review and agreement.

BC Assessment manages the increasing financial pressures resulting from folio growth, continuous improvement of customer service levels and the fiscal environment by encouraging and investing in innovation to improve workforce productivity, and by using risk-based operating and resource allocation methodologies.

## People

People are BC Assessment's key resource; the organization relies on the specialized knowledge and skills of its staff to deliver its core business and move toward its vision. BC Assessment is facing a range of workforce challenges:

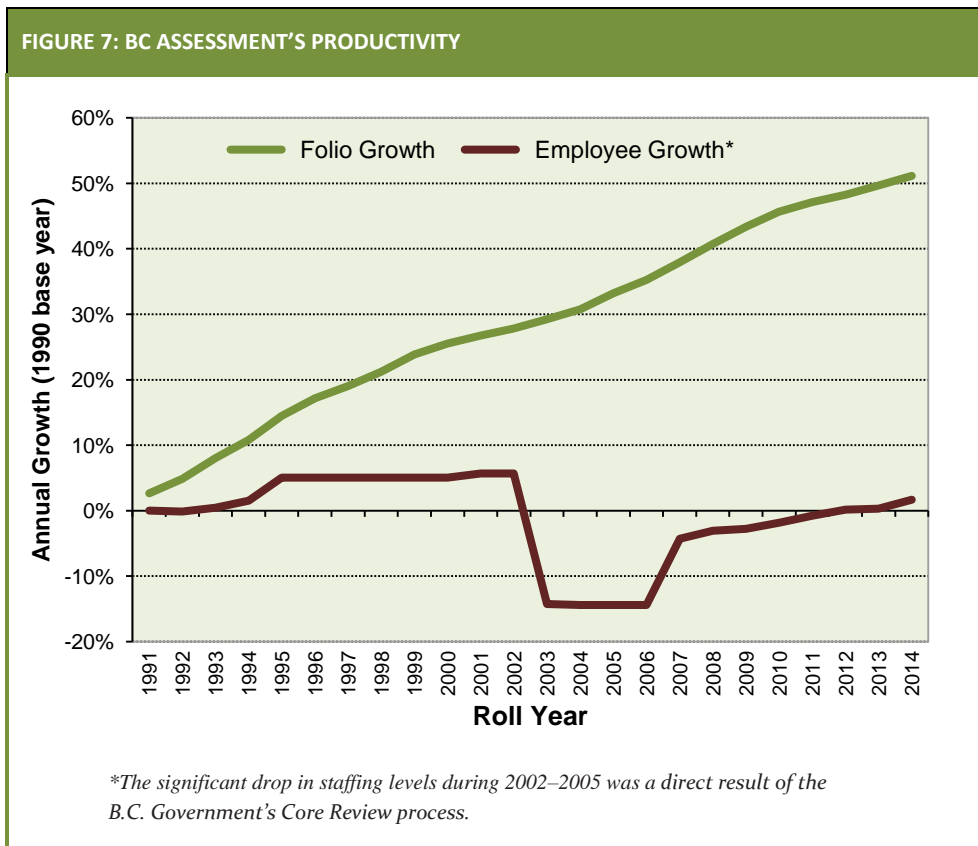
- Knowledge transfer and succession planning for critical staff leaving the organization
- Attracting quality talent in critically important occupations
- Forecast of increased competition for skilled and professional staff in the future job market
- Increasing staff workloads resulting from folio growth, increased regulatory reporting and customer expectations, greater complexity of issues, and new processes and business functions designed to improve accountability and transparency
- Creating a workplace that is rewarding for a new generation of staff and meets the needs of our experienced, longer term employees

In response to these issues, we are implementing a multi-year corporate people strategy that includes developing and implementing succession plans, building a stronger employment brand to enhance our recruiting efforts, strengthening our development of people leaders and moving forward on implementing more flexible work options for our employees.

## Organizational CAPACITY

Portfolio growth in terms of the number and value of properties continues to increase workloads within BC Assessment. The folio per employee ratio in 1990 was 1,979:1 compared with a ratio of 2,948:1 in 2013, representing an increase of 49%. *Figure 7* illustrates the folio growth and the relative decrease in the number of employees since 1990. At the same time, BC Assessment's revenues from new construction and data sales are constrained, and we are operating within a broader government environment that requires fiscal restraint and enhanced efficiency.

We are working to continuously improve our systems, tools and processes to meet our mandate for an assessment roll that is uniform and accurate. BC Assessment will continue in 2014 to seek operational efficiencies, and will focus our efforts to ensure that we can absorb the growth in folios with existing staff as well as move toward our goal of ensuring up-to-date inventory. We will look to leverage technology and will review our business processes, proactively seeking innovative solutions that address our capacity challenges.



## STRATEGIC OPPORTUNITIES AND RISKS

BC Assessment identifies and assesses opportunities and risks through our annual strategic and business planning process to strengthen organizational performance. We continue to evolve our enterprise risk management program to ensure our focus and resources are directed toward the areas that are important to our success. Our key opportunities, risks and associated strategies are summarized in *Tables 4 and 5*.

TABLE 4: OPPORTUNITIES		
Opportunities	Potential Benefit	Response and Strategies
Leverage technology to create efficiencies and to enhance productivity, communication and collaboration	Medium	<ul style="list-style-type: none"> <li>• Continue research and analysis of how new technologies, both hardware and software, present opportunities for BC Assessment</li> <li>• Implement a BC Assessment Portal platform, focussed on creating a ‘landing site’ to permit future secure access for all our customers to their data and to property assessment analysis tools and bulk data.</li> <li>• Continue the ‘Next Generation Value BC’ Program (NGVBC), replacing our current assessment system, to enable BC Assessment to improve internal operational effectiveness and deliver data directly to the customer</li> <li>• Leverage the investment in collaboration tools (WebEx, Instant Messaging) to reduce travel costs and to support tele-working and remote office working</li> <li>• Deliver enhanced and/or new Information sharing tools for use with partners and customers (e.g. Data Advice)</li> </ul>
Leverage our excellence in property assessment	High	<ul style="list-style-type: none"> <li>• Become a property information leader in BC</li> <li>• Make property assessment information more comprehensive and more relevant</li> <li>• Provide additional property information to add value to our products and services</li> <li>• Enable additional uses of property information by our customers</li> </ul>
Knowledge and professionalism of our staff	Medium	<ul style="list-style-type: none"> <li>• Increase investment in learning to attract and retain staff and enable higher quality products and service to our customers.</li> <li>• Increase work flexibility and autonomy for staff that increases engagement, enables improved service to customers and improves efficiency</li> </ul>
Leverage and enhance partnerships for data exchange and cost sharing	High	<ul style="list-style-type: none"> <li>• Explore partnerships with local governments for streamlined data exchange, and with mapping partners for enhanced data and cost sharing</li> <li>• Create opportunities for property owners to keep their property information up to date</li> </ul>

**TABLE 5: RISKS**

Risks	Risk Exposure	Response and Mitigation Strategies
Risk of insufficient people resources to maintain core and new products & services	High	<ul style="list-style-type: none"> <li>• Continued implementation of Operational Excellence following previous lean process improvements and training delivered in 2013</li> <li>• Development of a Strategic Workforce Plan</li> <li>• Implementation of field risk mitigation initiatives and driving efficiencies through standardization of best practices across field offices</li> </ul>
Risk that ineffective change management results in staff resistance to new products, services and ways of work	High	<ul style="list-style-type: none"> <li>• Delivery of ‘Leading to Value Management Skills’ learning to provide foundational leadership and change management skills to our people leaders</li> <li>• Further our change management strategy with greater focus of our resources on change management capacity</li> <li>• Strengthening our culture by involving our staff in helping to define BC Assessment’s culture of the future</li> </ul>
Risk that low staff morale results in low commitment to achieve strategies	Medium	<ul style="list-style-type: none"> <li>• Continuation of our 2014/15 Engagement Plan, improved recognition, autonomy, and communication</li> <li>• Strengthening our culture by involving our staff in helping to define BC Assessment’s culture of the future</li> <li>• Increasing investment in staff learning opportunities</li> </ul>
Risk that BCA leaders do not have sufficient leadership and change management skills to achieve the strategic objectives	Medium	<ul style="list-style-type: none"> <li>• Delivery of ‘Leading to Value Management Skills’ learning to provide foundational leadership and change management skills to our people leaders</li> <li>• Coaching, mentoring, and supervisory learning groups initiated</li> <li>• Succession Planning for Executive positions initiated and succession for critical roles being developed</li> </ul>
Risk of the inability to improve inventory currency while inventory continues to grow	Medium	<ul style="list-style-type: none"> <li>• Current inventory program launched, alongside 14 new projects in 2014 focused on inventory improvement and verification</li> <li>• Double investment made in Desktop Review to increase currency of our inventory</li> <li>• Risk Base Management Tool refined</li> <li>• Pilot project on 3D Modeling launched</li> </ul>



## CORPORATE STRATEGY

BC Assessment is at a point in time where the need for change has become critical. More sophisticated customer needs, an ever-increasing volume of work, aging technology, a shift to mobile technologies and a changing workforce are some of the key challenges we face. While addressing these challenges, our strategy is to also increase value to our customers and the citizens of British Columbia through greater access to our property information.

The delivery of quality products and services that customers trust is at the core of BC Assessment’s work. We will continue to leverage our strength in property assessment and extensive property data to make our property information more comprehensive and relevant to the citizens of B.C.

BC Assessment recognizes the importance of our people, the clear identification of customer needs, latest technology and strong partnerships to achieve this. Our 10 year story, a high level and long-term outline of how we envision our organization in the future, reflects our commitment to operational excellence and the continuous improvement of our products and services.

### Our 10 Year Story

As BC Assessment moves forward to implement our strategy we developed a high level picture of our future in 10 years. Our 10-year story in *Table 6* portrays a future where we:

TABLE 6: OUR 10 YEAR STORY		
	<b>Imagine Our Customers...</b>	Enjoying high customer service standards
		Having easily accessible, comprehensive and current property data
		Becoming actively engaged
	<b>Imagine Our People...</b>	Being personally invested in this story
		Focusing on delivering value to our customers
		Working collaboratively and more virtually with each other and partners in support of our strategic direction
	<b>Imagine Our Work ...</b>	Applying the most innovative industry practices
		Leveraging the latest technologies
		Striving towards operational excellence in all parts of the business, from data collection to customer service
	<b>Imagine Our Partnerships...</b>	Creating property information-sharing communities in B.C.
		Exchanging assessment-related information seamlessly
		Cost-sharing for mutually beneficial information

## Goals and Strategies

The success of BC Assessment depends on our ability to provide high quality service to our customers by our people, with our partners, in the most efficient manner. In 2013 the Board of Directors and Executive Management undertook a strategic review of direction, and how we can provide more value to the citizens of BC. Our expanded direction now includes a commitment to becoming a property information leader in B.C., through the provision of innovative property information products and services as value-add to our accurate and reliable property assessments. We are also providing increased clarity about how we serve the public and how we collaborate with our partners by combining the former goals of Products and Services with Effectiveness into the new Work goal. As a result, we refined our goals and associated strategies to four goals from five. *Table 7* demonstrate how we changed our goals compared to last year. Our current goals and associated strategies are illustrated in *Table 8*.





TABLE 7: CHANGES TO GOALS FROM THE PREVIOUS SERVICE PLAN		
2013-2015 Service Plan		2014-2016 Service Plan
People and Culture	➡	People
Customers	➡	Customers
Relationships	➡	Partners
Products and Services	➡	Work
Effectiveness		

TABLE 8: GOALS AND STRATEGIES		
GOALS		STRATEGIES
 <p><b>Our Customers...</b> Trust us and see us as essential to satisfying their property information needs.</p>	Increase the level of customer orientation in everything we do	
	Develop our customer relationship management capabilities	
	Embed innovative products & services into our customers' processes and decision making	
 <p><b>Our People...</b> Are personally invested in making our 10 year story happen.</p>	Attract - Be known as a great place to work and build a career.	
	Develop - Enable continuous learning where everyone develops leadership, grows skills and shares knowledge	
	Engage - Build an employee experience that inspires personal ownership of our results	
 <p><b>Our Work ...</b> Delivers current property information and an accurate assessment roll.</p>	Develop innovative and risk-based practices for all operations to ensure delivery of quality products and services	
	Ensure cost effective and value added operations	
	Improve ability to deliver through increased process maturity	
 <p><b>Our Partnerships...</b> Add value for customers and each other.</p>	Lead development of a community of organizations that share and integrate property information	
	Seek mutual efficiencies and innovation	

## Performance Measures

As part of our strategic planning program, we analyzed our strategic opportunities and risks. We then developed an ambitious and balanced strategy with “stretch” performance targets to support our corporate goals. The performance measures reported in the service plan and annual service plan report are supplemented by additional performance measures that are tracked internally to monitor corporate performance. BC Assessment regularly reviews these measures and targets, and uses benchmarking as a key part of our performance management program. Our measures and targets have been audited by the Office of the Auditor General and have met all eight principles of the *Performance Reporting Principles for the British Columbia Public Sector*. *Table 9* summarizes the performance measures and targets related to our corporate goals and strategies. The complete set of 2014 actual results that demonstrate our progress against the service plan performance targets will be published in December 2014.

**TABLE 9: GOALS, STRATEGIES, PERFORMANCE MEASURES AND TARGETS**

Goals		Strategies	Performance Measures	2012 Actual	2013 Forecast	2014 Target	2015 Target	2016 Target
	<b>Our Customers...</b> Trust us and see us as essential to satisfying their property information needs.	Increase the level of customer orientation in everything we do	Percentage of customers satisfied or very satisfied with service:					
		Develop our customer relationship management capabilities	Residential/ Non-residential	83.6%	No survey <sup>1</sup>	≥ 83.0%	≥ 83.0%	≥ 83.0%
		Embed innovative products & services into our customers' processes and decision making	Local government/ First Nations	<i>Biennial survey</i>	No survey <sup>1</sup>	≥ 95.0%	<i>Biennial survey</i>	≥ 95.0%
			Provincial Government	<i>Biennial survey</i>	No survey <sup>1</sup>	≥ 95.0%	<i>Biennial survey</i>	≥ 95.0%
			Percentage of assessments accepted without appeal <sup>2</sup>	98.8%	≥ 98.0%	≥ 98.0%	≥ 98.0%	≥ 98.0%
	<b>Our People...</b> Are personally invested in making our 10 year story happen.	Attract - Be known as a great place to work and build a career.						
		Develop - Enable continuous learning where everyone develops leadership, grows skills and shares knowledge.	Level of employee engagement	<i>Biennial Survey</i>	61 (actual)	<i>Biennial Survey</i>	Previous result + 2 (63)	<i>Biennial Survey</i>
		Engage - Build an employee experience that inspires personal ownership of our results.						
	<b>Our Work...</b> Delivers current property information and an accurate assessment roll.	Develop innovative and risk-based practices for all operations to ensure delivery of quality products and services	Assessment to sales ratio (ASR):					
			Residential	97.7%	98.1%	97-100%	97-100%	97-100%
			Non-residential	96.5% <sup>3</sup>	96.7%	95-100%	95-100%	95-100%
		Ensure cost effective and value added operations	Coefficient of dispersion (COD):					
			Urban	5.7%	5.6%	5.0-10.0%	5.0-10.0%	5.0-10.0%
			Rural	7.6%	7.8%	5.0-15.0%	5.0-15.0%	5.0-15.0%
		Improve ability to deliver through increased process maturity	Assessment roll stability <sup>4</sup>	0.36%	On target	≤ 0.37%	≤ 0.37%	≤ 0.37%
	Cost per property for assessment services – net <sup>5,6</sup>	\$41.28	\$41.46	\$42.98	\$43.63	\$44.32		
	<b>Our Partnerships...</b> Add value for customers and each other.	Lead development of a community of organizations that share and integrate property information	Under development <sup>7</sup>					
		Seek mutual efficiencies and innovation						

<sup>1</sup> Surveys were reviewed and revised in 2013 so no surveys were done. Next survey will be conducted in 2014.

<sup>2</sup> 2014 Assessment Roll appeal rates will be available in April 2014 and will be reported in the *2013 Annual Service Plan Report* in May 2014.

<sup>3</sup> The non-residential assessment to sales ratio has been corrected from 96.6% to 96.5% due to a typo in the previous service plan.

<sup>4</sup> Actual results for the 2012 roll stability measure will be available in January 2014 and will be reported in the *2013 Annual Service Plan Report* in May 2014.

<sup>5</sup> The year-over-year increases in cost per property are due to increases in expenditures linked to the growth in the overall number of folios added to the assessment roll each year.

<sup>6</sup> The 2013 cost per property is based on December 31, 2013 preliminary results prepared as of January 3, 2014. The final audited results for the December 31, 2013 fiscal year-end will be available in April 2014 and will be reported in the *2013 Annual Service Plan Report* in May 2014.

<sup>7</sup> BC Assessment is in the process of reviewing our performance measures to better measure what is important to our partnerships, specific performance measures will be developed in 2014 for the *2015-2017 Service Plan*.

## CORPORATE PERFORMANCE MEASURE DETAILS

### DATA SOURCES AND TARGETS

Most of the appraisal information used in BC Assessment's performance measures is collected throughout the year by professional appraisal staff through a variety of methods (such as property inspections) and from a number of sources (municipalities, regional districts, real estate boards, the Land Title and Survey Authority of British Columbia and individual property owners). In some cases, the measures adopted are international standards. BC Assessment consistently conducts regular and extensive surveys with its various customer groups and relies on third-party commercial survey companies that employ professional standards in ensuring the accuracy and credibility of the survey information.

Our performance targets specify the results to be achieved over a three-year period. We review the targets annually in consideration of changing conditions, such as availability of skilled staff, financial capacity and technological needs. While the targets are considered a "stretch" and will challenge the organization, there is every expectation that they are achievable.

To improve the comparability and quality of our performance measures, we use benchmarks as a key part of our performance management program. Benchmarking permits comparisons with other jurisdictions that give us confidence that our property assessment process provides high-quality, uniform assessments and that we are a well-run Crown corporation. In support of our benchmarking objectives, we are a founding member of the Canadian Property Assessment Benchmarking Network, established to share information between assessment jurisdictions across the country. The most comparable performance measures between assessment jurisdictions are the assessment to sales ratio (ASR) and the coefficient of dispersion (COD), which relate to roll quality and uniformity. Results from some of our benchmarking activities are regularly included in our annual service plan report.

The following information provides more detail on how the performance measures relate to our goals, and why these measures and targets were selected. Progress on our measures from the *2014–2016 Service Plan* will be reported in the *2014 Annual Service Plan Report*, to be published in May 2015.

### OUR CUSTOMERS

BC Assessment is a customer-focused organization that aims to meet the needs of its customers as fully as possible while operating within its mandate and financial capacity. It is imperative that BC Assessment's customers trust us and see us as essential to satisfying their property information needs.

#### **Percentage of customers satisfied or very satisfied with service – residential/non-residential, local government and First Nations**

We regularly review customer feedback to identify areas where we can improve. Targets are based on past performance, customer needs assessments and key improvement strategies to be undertaken. The surveys for our residential, non-residential, local government, First Nations and the provincial government customer groups measure progress on our strategic customer goal.

Past surveys, including the 2012 Customer Satisfaction surveys, illustrate a customer service composite index, based on 10 core survey questions, that was developed to support these measures. The questions used for the composite scores addressed our customer service commitment to be reliable, accessible, uniform and respectful. The responses were drawn from customers who had direct contact with BC Assessment in the preceding year, using a series of questions with a four-point scale where "1" is strongly disagree and "4" is strongly agree. The results reflect a weighted average based on the number of respondents.

Surveys have an inherent margin of error. The surveys conducted in 2011 and 2012 had the following margins of error:

- Residential (2012):  $\pm 2.3\%$  with a 95% confidence level
- Non-residential (2012):  $\pm 3.0\%$  with a 95% confidence level
- Local government (2011):  $\pm 5.2\%$  with a 95% confidence level
- First Nations (2011):  $\pm 13.3\%$  with a 95% confidence level
- Provincial government (2011):  $\pm 10.2\%$  with a 95% confidence level.

It is important to note that the margin of error will increase as the number of respondents providing a usable response declines.

For two sets of customer groups, BC Assessment reported combined results: residential property owner responses were combined with responses from non-residential property owners, and local government responses were combined with the responses from First Nations. For ease of presentation, survey results were blended into one number for each of the two groupings, but for the purpose of internal performance reporting, BC Assessment continued to track the performance measures separately for individual customer groups. The provincial government results are not blended with any other group.

In 2008, at the request of the local government, First Nations and provincial government customer groups, we implemented a biennial survey program to measure their satisfaction with our services. Residential and non-residential property groups are surveyed annually with the exception of 2013 when a survey review took place in lieu of an annual survey. Survey changes will be reflected in 2014.

BC Assessment has worked with each of its customer groups to establish service standards. As already discussed, customer survey tools were reviewed in 2013 for alignment with these standards, and the regular survey schedule for all customer groups will resume in 2014. Any impacts on year-over-year comparability of survey data will be noted in subsequent service plans and annual service plan reports. The results of our [customer surveys](#) for recent years up to 2012 may be found online.

### **Percentage of assessments accepted without appeal**

BC Assessment interprets high acceptance of assessments by both residential and non-residential property owners as a validation of the quality, accuracy and uniformity of assessments. Property owners who do not agree with the estimate of their property's market value or exemption status, or who believe that their property was improperly classified, can challenge the assessment. The Ministry of Community, Sport and Cultural Development is responsible for administering the independent Property Assessment Review Panel (PARP) process between February 1 and March 15 each year. The number of complaints (appeals) to the PARPs gives a useful measure of public acceptance.

Property owners are encouraged to contact BC Assessment staff following the receipt of their annual assessment notices in January of each year if they have concerns or questions. For unresolved issues, customers can register an appeal with BC Assessment by January 31 and request a formal hearing by an independent review panel. A Notice of Hearing will be issued and a meeting with the PARP will be scheduled for the property owner. Following the hearings and prior to April 7 each year, BC Assessment is required to send a Notice of Decision to each property owner, indicating what the panel's decision was and whether the complaint was successful or unsuccessful. Data quality is maintained through internal controls including a review and audit of the complaint data and comparison with historical trends and current market movement to ensure the data's accuracy. Historically, formal complaints have been low, usually fewer than 2% of all property owners.

The actual 2013 results (for the 2014 Assessment Roll) for this performance measure will not be available until April 2014, and are thus not provided in the *2014–2016 Service Plan*. Appeal rates for the 2014 Assessment Roll will be included in the *2013 Annual Service Plan Report* to be published in May 2014.

## **Our People**

Research suggests that successful employee engagement is the foundation for a workplace that enhances satisfaction and commitment, and creates an environment where people want to come to work. Engaged employees contribute to higher levels of customer satisfaction, trust and confidence in what an organization does.

### **Level of employee engagement**

Employee engagement is measured through a biennial employee engagement survey that gauges employee perceptions on motivation, work capacity and capability, leadership, and alignment with the organization's vision, mission and goals. The target is an average score (not a percentage) that expresses all responses to a series of survey questions. To calculate average scores, a two-step process is employed. First, the five-point scale is converted to points, and second, all of the points are added up and divided by the number of people in the group. This calculation gives the average score. The survey is conducted by an independent organization, and only those results with a confidence level of 95% are reported. The average scores from the employee engagement survey allow comparisons within and between departments and organizations. As an example, in 2009, BC Assessment began using the same employee engagement survey approach as the provincial government, to permit benchmarking against the government's annual engagement score results.

In spring 2012, BC Assessment management implemented a biennial survey schedule for employee engagement, to allow sufficient time to analyze previous results and effect improvements. It was acknowledged at the same time that a static long-term target cannot account for the future state of the many, complex engagement drivers; thus, targets have been set at "previous result + 2" to reflect both the previous result and the desired level of continuous improvement to the score.

## **OUR WORK**

BC Assessment is committed to improving effectiveness while adhering to sound environmental practices. Continued investment in new technologies and systems will enable BC Assessment to contribute to a stable tax base and provide innovative assessment solutions to customers, while continuing to limit increases in the costs associated with property assessment services.

### **Assessment to sales ratio (ASR) – residential and non-residential**

The ASR is a common roll quality measure used by the International Association of Assessing Officers (IAAO). The ASR measures how closely assessments mirror a property's actual selling price. BC Assessment measures the ASR for properties according to internationally recognized standards. The ASR is calculated by dividing the assessed value (as determined by BC Assessment) 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 BC Assessment appraises property at market value. The IAAO has set a standard for a median ASR of 90-110% for an acceptable level of assessment achievement. BC Assessment's targets of 97-100% for residential properties and 95-100% for non-residential properties are far more challenging targets than the international standards.



BC Assessment’s statistics are based on all available single-family residential arms’ length sales for the two quarters surrounding BC Assessment’s valuation date of July 1. In regions with significant market movement over the six-month period, the dispersion will be overstated. For non-residential sales, data are based on sales occurring throughout the year.

The actual 2013 (2014 Assessment Roll) ASR results in the *2014–2016 Service Plan* are based on the 2014 Completed Roll. The 2013 results that will be included in the *2013 Annual Service Plan Report* will be based on the 2014 Revised Roll, and may differ slightly from the 2014 Completed Roll results.

**Coefficient of dispersion (COD) – urban and rural**

The COD measures the quality of assessments by calculating the dispersion, or spread, of all the ASRs around the median ASR. The COD is a measure of appraisal uniformity. A more accurate portfolio of assessments would be indicated by a lower COD percentage. BC Assessment also measures the COD for properties located in both urban and rural areas, according to internationally recognized standards.

The COD standards set by the IAAO for single-family residential properties are 5-10% for homogeneous (urban) regions and 5-15% for heterogeneous (rural) regions. BC Assessment has set targets of <10% and <15%, respectively. To calculate the COD, add together the differences between each ASR in the group and the median ASR. The average difference is the sum of these numbers divided by the median and expressed as a percentage. An example calculation is presented in *Table 10*.

TABLE 10: EXAMPLE CALCULATION OF COEFFICIENT OF DISPERSION	
Using 97.5% as the Median	
Assessment to Sales Ratio (ASR)	Deviation from Median
95.5%	2.0
96.7%	1.8
97.5%	0.0
98.7%	1.2
99.2%	1.7
<b>Total Deviation</b>	<b>5.7</b>
<b>Average Deviation</b>	<b>1.14</b>
<b>Coefficient of Dispersion = 1.14 ÷ 97.5% = 1.17</b>	

The actual 2013 (2014 Assessment Roll) COD results in the *2014–2016 Service Plan* are based on the 2014 Completed Roll. The 2013 results that will be included in the *2013 Annual Service Plan Report* will be based on the 2014 Revised Roll, and may differ slightly from the 2014 Completed Roll results.

**Assessment roll stability**

In any given year, property status can change, and new properties may be created while others are deleted. BC Assessment annually measures the stability of the assessment roll by analyzing the number of additions or deletions made to the roll. Roll stability is a critical issue for local governments, which rely almost exclusively on property taxes to fund services to their taxpayers. The objective of this measure is to minimize tax losses to the taxing jurisdictions by creating a stable, dependable assessment roll. This performance measure is accepted by BC Assessment and throughout the taxing jurisdictions as a good measure of the stability of the assessment roll.

This performance measure examines taxes refunded as a result of a supplementary roll, which is changes to the roll after the annual assessment roll is officially closed. Supplementary changes can be due to mistakes in information or to property values that are revised after a property is appealed to a PARP or the PAAB. Although value changes to the roll can be negative or positive, only the refunds are considered in this measure, because refunds reduce the amount of money that municipalities have available to them. The measure considers 19 months of information for one year in arrears. For example, the 2013 value measures the 2012 roll stability by examining taxes refunded owing to supplementary rolls issued between May 1, 2012 and December 31, 2013. The 2013 value will be reported in the *2013 Annual Service Plan Report*, which will be published in May 2014.

**Cost per property for assessment services – net**

This performance measure reflects BC Assessment’s commitment to keeping costs for assessment services to the taxpayer as low as possible while still meeting increased service demands in a progressively more complex assessment environment.

Cost per property target adjustments are made each year as new information becomes available and our forecasts are refined. The targets for 2014–2016 have been set using service plan forecasts that take into consideration projected new construction and development, and assumptions regarding changes in revenues and expenditures. The targets reflect a commitment by BC Assessment to increasing its internal efficiencies.

The cost per property for assessment services funded from the levy has been calculated by taking total expenditures for the year, less revenues that are not categorized as “tax levies,” “payments in lieu of taxes” or “First Nations revenue” and dividing that figure by the number of properties for the revised roll produced for the following year. BC Assessment maintains appropriate internal controls and will continue reporting regularly to the Board of Directors and to the Office of the Comptroller General.

**OUR PARTNERSHIPS**

BC Assessment is also focused on its partnerships, such as with the Surveyor of Taxes of the Ministry of Finance, local governments and other industry groups. The objective of working with partners is to advance mutually beneficial objectives while operating within its mandate and financial capacity. As BC Assessment is in the process of reviewing our performance measures to better gauge what is important to our partnerships, specific performance measures will be developed in 2014 for the *2015-2017 Service Plan*.

## GOVERNMENT'S LETTER OF EXPECTATIONS

The corporate governance framework is also defined in the *2014 Government's Letter of Expectations* between the Minister responsible for BC Assessment – the Honourable Coralee Oakes, Minister of Community, Sport and Cultural Development – acting as a representative of the provincial government, and the Board Chair. The letter ensures common understanding of responsibilities, accountabilities, key governance issues, core services, public policy issues, strategic priorities and performance expectations for BC Assessment. Excerpts are given in *Table 11*.

**TABLE 11: 2014 GOVERNMENT'S LETTER OF EXPECTATIONS AND BC ASSESSMENT'S RELEVANT ACTIONS**

<b>Specific Government Direction</b>	<b>BC Assessment Actions</b>
Work closely with the Ministry on legislative, regulatory and policy initiatives and future projects as required by the Minister.	Work closely with the Ministry on amendments to legislation, regulatory and policy initiatives that support government direction.
Participate in any potential review and analysis undertaken of municipal government property taxation as it relates to property assessment.	Provided assessment related information to the Expert Panel on Business Taxation as requested and will continue to provide support as required.
Continue to work with the Ministry to improve the Property Assessment Review Panel (PARP) operations through business improvements, incorporation of customer feedback and improved communications.	<p>With the Ministry, developed and implemented a new PARP Online Evidence Collection System on a pilot basis for 2013.</p> <p>As that system is to be enhanced in 2014, continue to work closely with the Ministry to identify other areas of efficiency for PARP delivery.</p>
Make property information more comprehensive and accessible through the creation of strong property information-sharing partnerships, making property information more open and aligning with government's Open Data initiative.	<p>Developing a Current Inventory Program which will ensure that the organization meets its strategic goal of having "inventory current within the last five years." Key components of this program include the Inventory Partnership project which is focussed on identifying and developing partnerships that benefit all parties and lead to the beneficial exchange of inventory.</p> <p>Also developing an overall Partnership Strategy to increase or expand partnerships, and to create a plan for a strengthened network of partners across the land and property ecosystem in B.C.</p>
The average levy on existing taxpayers is to remain the same from 2013 to 2014 and any increase on funds generated through non market change will be used to improve customer services.	BC Assessment Board of Directors approved a levy that complies with this direction.
<b>General Government Direction</b>	<b>BC Assessment Actions</b>
Contribute to the B.C. government's climate action objectives and comply with the requirement to be carbon neutral in accordance with the <i>Greenhouse Gas Reduction Targets Act</i> .	<p>BC Assessment will report its annual emissions, take action to reduce emissions and purchase offsets to neutralize any remaining emissions that are not reduced.</p> <p>BC Assessment has worked with Shared Services BC to implement SmartTool, which provides standardized tools for measuring and reporting on the production of GHG emissions for the provincial government and broader public sector organizations.</p> <p>Consumption data for facilities, fleet and paper usage have been entered into SmartTool and GHG reduction targets set for 2014–2016.</p> <p>Green teams in each BC Assessment office, and corporate initiatives such as the move away from paper-based processes, office consolidations and investment in energy-efficient systems and technologies, support the ability to meet these targets.</p>



## SUMMARY FINANCIAL OUTLOOK

The financial outlook has been prepared in accordance with current Public Sector Accounting Board (PSAB) standards. *Table 12* provides a summary of the 2012 financial results as reported in the *2012 Annual Service Plan Report* adjusted to PSAB standards, the financial forecast for 2013, the financial outlook for 2014–2016 and related notes.

<b>TABLE 12: BC ASSESSMENT'S SUMMARY FINANCIAL OUTLOOK<sup>1</sup></b>					
<b>(\$ in 000s)</b>	<b>2012 Actual</b>	<b>2013 Forecast<sup>8</sup></b>	<b>2014 Budget</b>	<b>2015 Plan</b>	<b>2016 Plan</b>
<b>Revenue</b>					
Tax levies (note 2)	79,102	82,088	83,482	85,627	87,896
Other (note 3)	4,950	5,403	4,815	4,832	4,847
Investment	284	350	290	290	290
Gain on disposal of capital assets	66	23			
<b>Total revenue</b>	<b>84,402</b>	<b>87,864</b>	<b>88,587</b>	<b>90,749</b>	<b>93,033</b>
<b>Operating expenditures (note 4)</b>					
Salaries and benefits	54,227	54,336	56,485	57,991	59,834
Other employee expenses	1,969	1,780	2,498	2,414	2,460
Office premises	6,211	6,352	6,427	6,291	6,452
Information and communication technology	7,139	9,218	7,914	8,636	8,995
Assessment appeal (note 5)	3,924	3,063	3,890	3,904	3,917
Assessment notice printing and postage	1,573	1,592	1,657	1,682	1,707
Corporate and office	2,414	3,409	3,728	3,641	2,928
Travel	1,255	1,686	2,151	2,092	2,102
Amortization	5,207	3,897	3,837	4,098	4,638
<b>Total operating expenditures</b>	<b>83,919</b>	<b>85,333</b>	<b>88,587</b>	<b>90,749</b>	<b>93,033</b>
<b>Net income</b>	<b>483</b>	<b>2,531</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital investment (note 6)</b>					
Information technology	2,648	1,004	4,724	7,582	8,265
Other (tenant improvements, vehicles, furniture)	2,091	1,128	1,613	649	366
<b>Total capital investment</b>	<b>4,739</b>	<b>2,132</b>	<b>6,337</b>	<b>8,231</b>	<b>8,631</b>
<b>Equity balances, end of year (note 7)</b>					
Equity in capital assets	14,209	25,399	24,894	24,894	24,894
Equity from operations – appropriated	5,500	3,000	3,000	3,000	3,000
Equity from operations – unappropriated	8,844	2,685	0	0	0
<b>Total Equity</b>	<b>28,553</b>	<b>31,084</b>	<b>27,894</b>	<b>27,894</b>	<b>27,894</b>
<b>Total Debt</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Financial Outlook Assumption Notes:

1. BCA's operations are subject to a range of risks and uncertainties. As a result, actual financial results may differ materially from the future-looking information provided in this plan. The forecast, budget and plan information presented in this financial outlook is for business planning purposes and may not be appropriate for other purposes.
2. Tax levy income is primarily derived from two sources: new construction activity in the province and rate increases. Growth in new construction is expected to be stable over the planning period at approximately 20,000 new property folios per year. Tax levy rate increases are expected to be 0% in 2014 and 1.0% in 2015 and 2016. Rate increases are subject to provincial Cabinet approval.
3. Other revenue includes income from contracts with First Nations, payments in lieu of taxes, data access services and other miscellaneous items.
4. Expenditures include estimated inflationary increases and the funding of planned corporate initiatives.
5. BC Assessment is required by legislation to cover the operating costs of the Property Assessment Review Panels (PARPs) and the Property Assessment Appeal Board (PAAB). PARPs and the PAAB are administered by the Ministry of Community, Sport and Cultural Development and are independent of BC Assessment.
6. The capital expenditure plan reflects a reinvestment in information management and technology systems, facilities, and other assets necessary to ensure that the business and strategic objectives can be met.
7. The Board of Directors of BC Assessment established an appropriated equity fund in 2005 to help finance significant non-recurring capital expenditures. The Board has appropriated \$1 million each year from 2005 to 2009 to help fund the planned replacement of ValueBC. In 2010, the annual appropriation was reduced from \$1 million to \$500,000. No funds have been appropriated since 2012. The appropriated equity is currently \$3.0 million. A revised strategy for financing the capital expenditures through accumulated surplus has been approved by the Board in 2013 concurrent with the review and approval of a new Information Management/Information Technology Plan.
8. Actual audited financial results are provided in the annual service plan reports.

**BC Assessment**

40 YEARS OF VALUE TO BC

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