

**Ministry of
Finance**

**2017/18 – 2019/20
SERVICE PLAN**

September 2017



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Minister Accountability Statement



The *Ministry of Finance 2017/18 - 2019/20 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

A handwritten signature in black ink that reads "Carole James". The signature is written in a cursive, flowing style.

Honourable Carole James
Minister of Finance

August 31, 2017

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Purpose of the Ministry

The [Ministry of Finance](#) plays a central role in managing government's fiscal, financial and taxation policies. Key responsibilities of the Ministry include:

- Policy development, regulation and enforcement for specific sectors including financial services and real estate.
- Developing forecasts of the provincial economy; developing and monitoring government's capital plan and three-year fiscal plan; and managing significant risks and opportunities relating to the plan.
- Oversight for financial, procurement and administrative governance as well as banking, accounting, and risk and debt management services for the broader public service.
- Identifying and collecting amounts owed to the government in relation to statutes the Ministry directly administers, as well as statutes administered by other ministries.
- Performance and financial management audits of ministry, agency and Crown corporation programs and functions to help improve efficiency and ensure governance, management and control systems are operating effectively.
- Operation of the [Government House](#) and accountability for the [BC Securities Commission](#), [Partnerships BC](#), and [Real Estate Council of BC](#).

Ministry Goals, Objectives and Performance Measures

The Ministry of Finance's goals are to help government achieve the following three commitments to British Columbians:

- The first commitment is to make life more affordable. British Columbians are counting on government to make their lives easier by containing costs and service fees.
- The second commitment is to deliver the services that people count on. Government services touch the lives of British Columbians every day, and there is so much more that we can – and must – do to provide these services where and when people need them. Additionally, in many cases, critical programs and services are delivered by Crown Corporations, and our Ministry will work with Board Chairs to improve levels of service to citizens.
- The third commitment is to build a strong, sustainable, innovative economy that works for everyone. Our government believes that all ministries and public sector organizations have a role to play in supporting broad-based economic growth, developing poverty reduction strategies, and helping create good-paying jobs in every region of the province.

Integrating with these priorities is government's commitment to true, lasting reconciliation with First Nations in British Columbia, as we move towards fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples and the Calls to Action of the Truth and Reconciliation Commission.

Beyond our work in supporting these commitments, the Minister of Finance has been tasked in the [mandate letter](#) to achieve the following specific objectives and performance targets:

- Ensure Budget 2017/18 reports as balanced as per public accounts released in summer 2018.
- Take measures to improve tax fairness and ensure the tax system reflects our commitment to work for all British Columbians, not just those at the top.
- Create a Medical Service Plan task force and eliminate Medical Service Plan fees within four years, starting with a 50% reduction on January 1, 2018.
- Eliminate tolls on the Port Mann and Golden Ears bridges.
- Take measures to improve housing affordability, close real estate speculation loopholes, and reduce tax fraud and money laundering in the B.C. real estate marketplace.
- Develop funding partnerships with the federal government, First Nations, municipalities, pension funds, financial institutions and businesses to invest in new capital infrastructure across the province over the next five years.
- Increase the carbon tax by \$5 per tonne per year beginning April 1, 2018, take measures to expand the tax to fugitive emissions and slash-pile burning, and dedicate additional revenue to rebate cheques for families and investments in climate change solutions.
- Enhance the lending capacity of B.C. credit unions by making their tax status permanent and lifting the cap on lending.

Our Ministry will continue to develop specific objectives and performance measures for inclusion in our 2018/19 Service Plan, which will be released with *Budget 2018*.

Resource Summary

Core Business Area	2016/17 Restated Estimates ¹	2017/18 Estimates ⁶	2018/19 Plan	2019/20 Plan
Operating Expenses (\$000)				
Treasury Board Staff	6,691	6,701	6,725	6,725
Office of the Comptroller General	21,005	21,130	21,240	21,240
Treasury	1	1	1	1
Revenue Division	82,925	89,762	90,350	90,378
Policy and Legislation ^{2,3}	4,964	6,307	6,391	6,391
Public Sector Employers' Council Secretariat	16,634	16,637	16,646	16,646
Crown Agency and Board Resourcing Office	850	852	855	855
Executive and Support Services	29,054	28,922	29,456	29,457
Statutory Appropriations ⁴		3,505,000		
Insurance and Risk Management Account	4,178	4,180	4,199	4,199
Provincial Home Acquisition Wind Up special account	10	10	10	10
Housing Priority Initiatives special account ⁵	0	37,636	140,200	194,021
Total	166,312	3,717,138	316,073	369,923
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Executive and Support Services	427	310	310	310
Total	427	310	310	310
Other Financing Transactions (\$000)				
Reconstruction Loan Portfolio				
Receipts	(8,000)	(4,500)	(3,500)	(2,500)
Disbursements	75	20	15	10
Net Cash (Requirements)	(7,925)	(4,480)	(3,485)	(2,490)

Core Business Area	2016/17 Restated Estimates¹	2017/18 Estimates⁶	2018/19 Plan	2019/20 Plan
Other Financing Transactions (\$000) Continued				
Student Aid BC Loan Program				
Receipts	(115,000)	(120,000)	(115,000)	(115,000)
Disbursements	230,000	224,000	230,000	230,000
Net Cash (Requirements)	115,000	104,000	115,000	115,000
International Fuel Tax Agreement (Motor Fuel Tax Act)				
Receipts	(13,000)	(14,000)	(14,000)	(14,000)
Disbursements	2,650	3,000	3,000	3,000
Net Cash (Requirements)	(10,350)	(11,000)	(11,000)	(11,000)
Land Tax Deferment Act				
Receipts	(64,000)	(64,000)	(70,000)	(77,000)
Disbursements	132,000	132,000	145,000	195,000
Net Cash (Requirements)	68,000	68,000	75,000	118,000
Improvement District Loans (Local Government Act)				
Receipts	0	(1,660)	(1,500)	(1,500)
Disbursements	0	2,000	1,500	1,500
Net Cash (Requirements)	0	340	0	0
Provincial Home Acquisition Wind Up special account				
Receipts	(5)	0	0	0
Disbursements	0	0	0	0
Net Cash (Requirements)	(5)	0	0	0
Total Receipts	(200,005)	(204,160)	(204,000)	(210,000)
Total Disbursements	364,725	361,020	379,515	429,510
Total Net Cash Source (Requirements)	164,720	156,860	175,515	219,510

1. For comparative purposes, amounts shown for 2016/17 have been restated to be consistent with the presentation of the 2017/18 *Estimates*.
2. The Financial Institutions Commission was approved for \$1.4 million of funding in support of increased financial services sector oversight.
3. The Office of the Superintendent of Real Estate was established as a \$1,000 vote under the Policy and Legislation sub-vote in the Ministry of Finance Operations vote to enhance governance and accountability of the provincially-regulated real estate industry.
4. *Budget 2017 Update* provides statutory authority to extinguish the fiscal agency loan agreement between government and the Transportation Investment Corporation in response to the decision to cancel the tolls on the Port Mann Bridge. As a related party transaction, the expense and the corporation's debt reduction are eliminate on consolidation resulting in no impact to operating results.
5. This special account was established under the *Special Accounts Appropriation and Control Act* effective July 28, 2016, for the purposes of supporting housing, rental, and shelter programs as set out under the Act. Pursuant to the Act: expenses include acquisition, construction, maintenance, renovation, support payments, and administrative costs; revenue and recoveries include transfers, receipts, and interest allocated; receipts include repayment of loans issued and interest paid on those loans; and, disbursements include loans issued, support payments, and payments in respect of loan guarantees.
6. Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).

Significant IT Projects

Project	Capital Costs of Project to June 30, 2017 (\$ millions)	Estimated Total Capital Cost of Project (\$ millions)
<p>Revenue Transformation Initiative (RTI)</p> <p>RTI is a multi-phase information technology project to consolidate government's tax and royalty revenue programs onto government's corporate tax administration system to reduce administration costs and simplify and streamline services for businesses and citizens.</p>	\$23.455	\$46.442

Appendix A: Government Communications and Public Engagement

Purpose of the Organization

The mandate of Government Communications and Public Engagement (GCPE) is to ensure British Columbians are informed about programs, policies, and services that affect them – and to communicate essential features and changes in these areas through traditional communication practices and, increasingly through direct engagement and online services.

Resource Summary

Core Business Area	2016/17 Restated Estimates ¹	2017/18 Estimates	2018/19 Plan	2019/20 Plan
Operating Expenses (\$000)				
Government Communications	26,658	26,687	26,766	26,766
Government Digital Experience	7,221	7,518	7,591	7,591
Total	33,879	34,205	34,357	34,357

1. For comparative purposes, amounts shown for 2016/17 have been restated to be consistent with the presentation of the 2017/18 Estimates.

*Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).

Appendix B: Public Sector Employers' Council Secretariat

Purpose of Organization

The Public Sector Employers' Council Secretariat (PSEC) supports government in setting and coordinating strategic direction in human resource management and labour relations across the broader provincial public sector, including the administration, development and implementation of labour relations and collective bargaining policies. PSEC also supports the Minister of Finance in directing employers to create compensation plans for excluded and executive employees. PSEC represents government in its role as a partner in four pension plans¹, working with other partners to ensure plan sustainability, monitor risk exposure and provide policy advice to both government and public sector employers. PSEC's authority is contained in the [Public Sector Employers Act](#) and its authority related to pension plans is based on the [Public Sector Pension Plans Act](#) and joint trust agreements.

Employers' Associations

The mandates and purposes of employers' associations include coordinating compensation, benefit administration, bargaining and labour relations within their respective sectors, as outlined in sections 6 and 7 of the *Public Sector Employers Act*. There are six public sector employers' associations:

- [British Columbia Public School Employers' Association](#) (BCPSEA)
- [Community Social Services Employers' Association](#) (CSSEA)
- [Crown Corporations Employers' Association](#) (CCEA)
- [Health Employers Association of British Columbia](#) (HEABC)
- [Post-Secondary Employers' Association](#) (PSEA)
- [University Public Sector Employers' Association](#) (UPSEA)

BCPSEA, CSSEA, HEABC, and PSEA serve as the accredited employer bargaining agents for their respective sectors and their funding is provided by PSEC. CCEA and UPSEA play a coordination and information-sharing role but do not serve as bargaining agents for their member employers.

Employer Associations Expenditures²

Core Business Area	2016/17 Actual	2017/18 Estimates	2018/19 Plan	2019/20 Plan
Operating Expenses (\$000)³				
Employer Associations	35,408	35,256	33,526	33,386

¹ The four pension plans contained in the act are: College Pension Plan, Municipal Pension Plan, Public Service Pension Plan, and Teachers' Pension Plan. For more information see [PensionsBC.ca](#)

² See Ministry Resource Summary table on page 7 for PSEC expenditures.

³ Expenditures are total forecast expenditure of employer associations included in the government reporting entity and are funded through transfers from government, membership dues, and other sources.

Appendix C: Public Service Agency

Purpose of the Organization

The B.C. Public Service Agency provides human resource leadership, expertise, services and programs that contribute to better business performance of ministries and government as a whole.

The B.C. Public Service is one of the largest workforces in the province, serving all communities across British Columbia. From frontline workers to accountants and architects, researchers and analysts, information technology professionals, social workers and others, there is virtually no area of expertise unrepresented. Public servants provide a wide range of services to British Columbians such as health care, public safety, education, and environmental management, to name a few.

The B.C. Public Service Agency supports the work these public servants do by providing human resource services such as hiring, payroll, labour relations, occupational health and safety and learning and development. In doing so, it helps ensure the B.C. Public Service continues to have the talent it needs to do the work today and in the future.

The Agency is also accountable for promoting ethical behaviour across the public service by coordinating the development, awareness, training and communication of programs regarding the Oath and Standards of Conduct, and providing advice and guidance to ministries.

Resource Summary

Core Business Area	2016/17 Restated Estimates ¹	2017/18 Estimates	2018/19 Plan	2019/20 Plan
Operating Expenses (\$000)				
BC Public Service Agency	50,861	53,410	56,245	56,245
Benefits	1	1	1	1
Long Term Disability Fund Special Account	0	22,111	23,943	23,943
Total	50,862	75,522	80,189	80,189
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
BC Public Service Agency	10	10	10	10
Total	10	10	10	10

¹For comparative purposes, amounts shown for 2016/17 have been restated to be consistent with the presentation of the 2017/18 *Estimates*.

* Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates.](#)

Appendix D: Contact Information

Ministry Central Office

PO Box 9417 Stn Prov Govt
Victoria BC V8W 9V1
Phone: 250 387-3184

Minister's Office

Honourable Carole James
PO Box 9048 Stn Prov Govt
Victoria BC V8W 9E2
Phone: 250 387-3751

Media Queries

Phone: 250 387-1248

Tax Questions

For questions about British Columbia's Provincial Sales Tax, Motor Fuel Tax, Tobacco Tax, Carbon Tax, Tax on Designated Property and Residential Energy Credit and Rebate program:

Toll-free anywhere in B.C. 1 877 388-4440 or email: CTBTaxQuestions@gov.bc.ca

Government Communications and Public Engagement

617 Government Street
PO BOX 9409 STN PROV GOVT
Victoria, B.C. V8W 9V1

Phone: 250 952-6296

Public Sector Employers' Council Secretariat

PO Box 9400 Stn Prov Govt
Victoria, BC V8V 9V1
Suite 210, 880 Douglas Street

Phone: 250 387-0842

www.fin.gov.bc.ca/psec

Public Service Agency

810 Blanshard Street
Victoria, B.C. V8W 2H2
PO BOX 9404 Stn Prov Gov't
Victoria, B.C. V8W 9V1

Phone: 250 952-6296

www.bcpublicserviceagency.gov.bc.ca

Appendix E: Links to Additional Information

Reports and Publications

For the Budget and Fiscal Plan, Estimates, Public Accounts, Quarterly Reports, Financial and Economic Review, and other reports and publications of the British Columbia Ministry of Finance, please visit: www.fin.gov.bc.ca/pubs.htm

For more information and other Ministry Service Plans and Annual Service Plan Reports, please visit: <http://www.bcbudget.gov.bc.ca/default.htm>

Listing of Ministry Legislation

<http://www.bclaws.ca/civix/document/id/amr/amr/172897626>

The Minister of Finance is also the Minister responsible for the following Crown corporations, Boards and Commissions:

Crown Corporations

- BC Investment Management Corporation: www.bcimc.com/
- BC Pension Corporation: www.pensionsbc.ca/
- BC Securities Commission: www.bcsc.bc.ca/
- Credit Union Deposit Insurance Corporation: www.cudicbc.ca/
- Partnerships BC: www.partnershipsbc.ca/
- Real Estate Council of British Columbia: www.recbc.ca/

Agencies, Boards, Commissions and Other Key Organizations

- Auditor Certification Board: www.fin.gov.bc.ca/ocg/fmb/Auditor_Certification_Board/Auditor_Cert_Board.htm
- Financial Institutions Commission: www.fic.gov.bc.ca/
- Government House: www.ltgov.bc.ca/
- Insurance Council of BC: www.insurancecouncilofbc.com/PublicWeb/Home.html
- Office of the Superintendent of Real Estate: www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/central-government-agencies/office-of-the-superintendent-of-real-estate