

**Ministry of
Finance**

**2019/20 – 2021/22
SERVICE PLAN**

February 2019



Minister Accountability Statement



The *Ministry of Finance 2019/20 – 2021/22 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 blue ink that reads "Carole James". The signature is written in a cursive, flowing style.

Honourable Carole James
Minister of Finance

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:

- 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 government's financial, procurement and administrative governance as well as banking, corporate accounting, insurance, risk and debt management services.
- 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.
- Policy development, regulation and enforcement for financial services, capital markets, pension plans, mortgage broker sectors, real estate services and societies.
- Providing policy advice with respect to federal-provincial fiscal arrangements and developments and the stewardship of the Canada Pension Plan.
- Identifying and collecting amounts owed to the government in relation to statutes the Ministry directly administers, as well as statutes administered by other ministries.
- Administer statutes that provide regulatory oversight of pension plans, mortgage brokers, deposit taking institutions (credit unions), trust companies and insurers in B.C.
- Oversight of governance, corporate accountability and appointments to all Crown corporations, agencies, boards and commissions.
- Coordinate cross-government action on gender issues, including gender-based violence, gender equity and economic and political empowerment.
- Oversight of strategic coordination of bargaining and labour relations, total compensation planning and human resource management for the broader public sector.
- Operation of the [Government House](#) and accountability for the [BC Securities Commission](#), [Partnerships BC](#), and the [Real Estate Council of BC](#).

Strategic Direction

The Government of British Columbia is putting people at the heart of decision-making by working to make life more affordable, improve the services people count on, and build a strong, sustainable economy that works for everyone.

Over the past year, significant government investments in areas including housing, child care and the elimination of fees, such as Medical Service Premiums, have contributed to making life more affordable for British Columbians today and into the future. Ministries are engaged in ongoing work to improve the availability of services citizens rely on including those related to primary medical care, education and training, transportation, the opioid crisis and poverty.

A strong economy that works for all regions of B.C. is diversified, resilient and improves the standard of living for people across the province. With that in mind, government is focusing on sustainable economic growth that strengthens our natural resource sectors, continues the development of the emerging economy, supports small business and uses innovation and technology to solve B.C. problems. A key priority in 2019/20 and beyond will be driving

economic growth with cleaner energy and fewer emissions. At the same time, Ministries continue to build prudence into budgets and plan for challenges.

Underpinning the work of all Ministries are two shared commitments: reconciliation with Indigenous peoples and consideration of how diverse groups of British Columbians may experience our policies, programs and initiatives. As part of these commitments, Ministries are working to implement the United Nations Declaration on the Rights of Indigenous Peoples, the Truth and Reconciliation Commission's Calls to Action, and Gender-Based Analysis+ policy and budgeting.

This service plan outlines how the Ministry of Finance will support the government's priorities, including selected action items identified in the Minister's [Mandate Letter](#). Over the previous fiscal year, the Ministry of Finance made progress on these priorities by:

- Ensuring the province maintains its fiscal stability, competitive tax rates and the confidence of investors and financial markets.
- Introducing measures such as the new speculation tax and increasing and expanding the foreign buyers' tax to help bring B.C.'s housing market back to balance.

The following performance plan outlines how the Ministry of Finance will continue to track progress on key mandate letter commitments and other emerging government priorities.

Performance Planning

The Ministry of Finance is committed to making life more affordable, improving the services people count on, and building a strong, sustainable economy that works better for everyone. To support these commitments the Ministry has developed a range of goals, objectives and strategies to address three core priorities of the Minister:

- Ensure Budget 2019/20 reports as balanced as per public accounts released in summer 2020;
- 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; and
- Eliminate Medical Service Plan fees by January 2020.

Goal 1: A strong and sustainable economy

The Ministry is responsible for achieving government’s goal of balancing the needs and priorities of British Columbians with the fiscal prudence that marks B.C. as an economic leader in Canada. This includes management of government’s fiscal plan, oversight of financial monitoring and reporting, and administration of the province’s tax system.

Objective 1.1 Effective management of government’s fiscal plan

Key Strategies:

- Develop and prepare the economic forecast, incorporating an appropriate amount of prudence relative to the private sector outlook.
- Develop, prepare and validate revenue forecasts so that they are consistent with the Ministry’s economic forecast and government decisions.
- Continuously monitor year-to-date activity and issues affecting the economy and provincial revenues and identify risks and opportunities to the economic and fiscal plans.
- Ensure effective cash management and debt issuance to minimize borrowing requirements and debt service costs.
- Manage government’s corporate capital plan which includes strategic investment in infrastructure across the province within an affordability framework, such as transit, roads, hospitals, schools, and affordable housing, to deliver the services people count on.
- Oversee the strategic coordination of collective bargaining and total compensation planning across the provincial public sector.

Performance Measure	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.1 Balanced budget (\$ millions)	374 surplus	274 surplus	287 surplus	585 surplus

Data source: *British Columbia Budget and Fiscal Plan*.

Linking Performance Measures to Objectives:

This measure reflects the Ministry’s overall success in implementing, monitoring, and maintaining government’s fiscal plan. The Ministry will continue to uphold its commitment to deliver a balanced budget in 2019/20 and in future years.

Objective 1.2 Accountable, efficient and transparent financial management

Key Strategies:

- Ensure appropriate financial management policies and system are in place.
- Monitor, evaluate and report on the effectiveness of internal controls.
- Report on financial plans and performance in accordance with statutory requirements.

Performance Measure	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.2 Audit opinion provided by the Office of the Auditor General	Public accounts in accordance with GAAP	Public accounts in accordance with GAAP	Public accounts in accordance with GAAP	Public accounts in accordance with GAAP

Data source: Release of *Public Accounts*.

Linking Performance Measures to Objectives:

This measure is an indication of government’s transparency in accounting for its finances. In preparing the *Public Accounts*, the Ministry strives to provide an open, accurate and fair representation of the government’s financial position in accordance with GAAP. To validate this position, government seeks an independent audit opinion that offers an objective assessment of its financial reporting. This measure will be considered substantially achieved if the Office of the Auditor General provides a qualified but positive opinion of the *Public Accounts*.

Objective 1.3 Fair and effective revenue, tax and benefit administration

Key Strategies:

- Work with taxpayers, clients, stakeholders and other jurisdictions to ensure tax and revenue programs are effectively administered, including compliance and enforcement activities.
- Help individuals and businesses to fully understand their financial obligations to ensure everyone pays their fair share of taxes.
- Continue to implement new technology and process improvements to the tax administration system that foster better engagement with clients, enhance and streamline services, and enable effective compliance and enforcement activities while also consolidating to reduce administration costs.

Performance Measure	2018/19 Actual	2019/20 Target	2020/21 Target	2021/22 Target
1.3a Percentage of on-time payments	96.0%	Upward trend	Upward trend	Upward trend
1.3b Cost to collect one dollar of tax revenue	\$0.0054	Downward trend	Downward trend	Downward trend
1.3c Accounts receivable as a percentage of total tax revenue	1.48%	Downward trend	Downward trend	Downward trend

Data source: Revenue Services Division information systems.

Linking Performance Measures to Objectives:

The Ministry utilizes three measures to report on the efficacy of the Ministry’s revenue collection programs: percentage of on-time payments, cost to collect tax revenue, and accounts receivable as a percentage of total tax revenue.

The percentage of on-time payments measure tracks the remittance of tax payments and other revenues received on or before their legislated due date. It provides an indication of citizens’ and taxpayers’ understanding of their financial obligations.

The cost to collect revenue measure reflects the cost incurred to collect amounts owed to government. Information on the cost to collect revenue helps guide decision making on managing productivity and efficiency.

The accounts receivable as a percentage of total revenue measure reports on the success of collecting amounts owed to government and administered by the Ministry of Finance. These amounts may be billed by the Ministry, self-assessed by individuals and businesses, or identified through audit and compliance activities.

Goal 2: Making life more affordable

The Ministry has a critical role in helping to bring the housing market back to balance and making B.C.’s tax system fair for all citizens.

Objective 2.1 Increase fairness and transparency in B.C.’s housing market

Key Strategies:

- Continue work on Government’s [Homes for BC: a 30-Point Plan for Housing](#).
- Stabilize demand by implementing measures such as the speculation tax, increasing and expanding the foreign buyers’ tax and closing tax loopholes.
- Enhance enforcement and audit work to prevent tax fraud.
- Work with federal government and the real estate industry to address money laundering.
- Strengthen consumer protection in B.C.’s real estate market.

Performance Measure	2018/19 Actual ¹	2019/20 Target	2020/21 Target	2021/22 Target
2.1 Residential sales-to-new listing ratio	53%	Ratio between 40% and 60%	Ratio between 40% and 60%	Ratio between 40% and 60%

Data source: Haver Analytics/Canadian Real Estate Association.

1. The data used for this measure is for the calendar year that ends in the stated fiscal year (e.g. 2018 calendar year data is used for 2018/19).

Linking Performance Measures to Objectives:

This measure is the ratio between the number of housing unit sales and the number of new listings entering the market annually in the province on average. In general, a ratio between 40 per cent and 60 per cent indicates a balanced market in which prices are likely to grow at a moderate pace. The B.C. housing market and its stability is affected by a multitude of factors, only some of which are influenced by Ministry policies. Nevertheless, this ratio is an important indicator of the effectiveness of measures implemented by the Ministry. The targets signal government's intent to ensure B.C.'s housing market is fair, transparent and balanced.

Objective 2.2 A fair and progressive tax system

Key Strategies:

- Support government's commitment to a strong and innovative economy through progressive tax initiatives, such as eliminating Medical Service Plan premiums.
- Develop and implement tax and other measures that help address inequality and foster economic growth.

Performance Measure	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
2.2a Provincial ranking of corporate income tax rates	3 rd Lowest	Remain in lowest four	Remain in lowest four	Remain in lowest four
2.2b Provincial ranking of personal income tax rates for bottom bracket	2 nd Lowest	Remain in lowest two	Remain in lowest two	Remain in lowest two
2.2c Provincial ranking of personal income tax rates for second lowest bracket	Lowest	Remain in lowest two	Remain in lowest two	Remain in lowest two

Data source: Published legislation and budgets from all 10 provinces.

Linking Performance Measures to Objectives:

The corporate income tax measure reflects government's commitment to maintaining a competitive tax environment that supports a strong and sustainable economy.

The measures of the provincial ranking of personal income tax rates provide a comparison of B.C.'s personal income tax rates for the bottom two tax brackets, as of March 31 each year, with those of the other nine provinces.

Resource Summary

Core Business Area	2018/19 Restated Estimates ¹	2019/20 Estimates ²	2020/21 Plan	2021/22 Plan
Operating Expenses (\$000)				
Treasury Board Staff	7,026	7,073	7,041	7,041
Office of the Comptroller General	21,266	21,702	21,628	21,628
Treasury	1	1	1	1
Revenue Division	90,545	179,108	180,380	181,159
Policy and Legislation	6,283	7,694	7,579	7,579
Public Sector Employers' Council Secretariat	16,839	16,852	16,841	16,841
Crown Agencies and Board Resourcing Office	855	1,556	1,470	1,470
Executive and Support Services	29,766	31,341	31,269	31,269
Insurance and Risk Management Account	4,493	4,562	4,537	4,537
Provincial Home Acquisition Wind Up special account	10	10	10	10
Housing Priority Initiatives special account	283,225	488,771	531,289	505,829
Total	460,309	758,670	802,045	777,364
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Executive and Support Services	644	547	370	247
Total	644	547	370	247
Other Financing Transactions (\$000)				
Reconstruction Loan Portfolio				
Disbursements	15	10	5	0
Receipts	(3,500)	(2,500)	(2,000)	(1,000)
Net Cash Requirements (Source)	(3,485)	(2,490)	(1,995)	(1,000)

Core Business Area	2018/19 Restated Estimates ¹	2019/20 Estimates ²	2020/21 Plan	2021/22 Plan
Student Aid BC Loan Program				
Disbursements	230,000	230,000	230,000	230,000
Receipts	(115,000)	(115,000)	(115,000)	(115,000)
Net Cash Requirements (Source)	115,000	115,000	115,000	115,000
International Fuel Tax Agreement (<i>Motor Fuel Tax Act</i>)				
Disbursements	3,000	3,000	3,000	3,000
Receipts	(14,500)	(14,500)	(14,500)	(14,500)
Net Cash Requirements (Source)	(11,500)	(11,500)	(11,500)	(11,500)
Land Tax Deferment Act				
Disbursements	145,000	240,000	242,000	242,000
Receipts	(70,000)	(77,000)	(84,000)	(92,000)
Net Cash Requirements (Source)	75,000	163,000	158,000	150,000
Improvement District Loans (<i>Local Government Act</i>)				
Disbursements	1,500	1,500	1,500	1,500
Receipts	(1,498)	(1,600)	(1,600)	(1,600)
Net Cash Requirements (Source)	2	(100)	(100)	(100)
Total Disbursements	379,515	474,510	476,505	476,500
Total Receipts	(204,498)	(210,600)	(217,100)	(224,100)
Net Cash Requirements (Source)	175,017	263,910	259,405	252,400

1. For comparative purposes, amounts shown for 2018/19 have been restated to be consistent with the presentation of the 2019/20 Estimates.
2. Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).

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, direct engagement and online services.

Strategic Direction

GCPE plays a critical role in helping government achieve its key commitments: make life more affordable; deliver the services people count on; and build a strong, sustainable economy that works for everyone by informing British Columbians about government actions to achieve these priorities and about the programs and services available. GCPE also coordinates direct engagement with citizens through ongoing dialogue concerning the development and design of key initiatives.

Resource Summary

Core Business Area	2018/19 Restated Estimates ¹	2019/20 Estimates ²	2020/21 Plan	2021/22 Plan
Operating Expenses (\$000)				
Government Communications	27,030	29,150	29,045	29,045
Government Digital Experience	8,354	8,655	8,618	8,618
Total	35,384	37,805	37,663	37,663

1. For comparative purposes, amounts shown for 2018/19 have been restated to be consistent with the presentation of the 2019/20 Estimates.
2. Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).

Appendix B: Public Service Agency

Purpose of the Agency

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.

Strategic Direction

The BC 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. BC Public Service employees provide a wide range of services to British Columbians supporting the provision of health care, public safety, education and environmental management to name a few.

The B.C. Public Service Agency supports the work these employees do by providing human resources services such as hiring, payroll, labour relations, occupational health and safety, professional development, succession management and employee engagement. In doing so, it helps ensure the BC Public Service continues to have the right talent it needs to do the work of government 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 policy advice and guidance to ministries. The Service Plan includes the priorities and initiatives that were outlined in the Minister of Finance's [Mandate Letter](#).

Key Links

[Public Service Agency Programs & Strategies](#)

[Careers in the BC Public Service](#)

[Indigenous Youth Internship Program](#)

[Diversity, Inclusion & Respect](#)

Resource Summary

Core Business Area	2018/19 Restated Estimates ¹	2019/20 Estimates ²	2020/21 Plan	2021/22 Plan
Operating Expenses (\$000)				
BC Public Service Agency	56,268	56,545	56,380	56,380
Benefits and Other Employment Costs	1	1	1	1
Long Term Disability Fund Special Account	27,131	24,784	24,784	24,784
Total	83,400	81,330	81,165	81,165
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
BC Public Service Agency	10	10	10	10
Total	10	10	10	10

1. For comparative purposes, amounts shown for 2018/19 have been restated to be consistent with the presentation of the 2019/20 Estimates.
2. Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).

Appendix C: Other Agencies, Boards, Commissions and Tribunals

Crown Corporations

- BC Securities Commission: www.bcsc.bc.ca
- Partnerships BC: www.partnershipsbc.ca
- Real Estate Council of BC: www.recbc.ca

Public Sector Employers' Council and Employers' Associations

- Public Sector Employers' Council ([PSEC](#))
- 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](#))

Boards, Commissions and Other Key Organizations

- BC Investment Management Corporation: www.bcimc.com
- BC Pension Corporation: www.pensionsbc.ca
- Credit Union Deposit Insurance Corporation: www.cudicbc.ca
- Financial Institutions Commission: www.fic.gov.bc.ca
- Government House: www.ltgov.bc.ca
- Insurance Council of BC: www.insurancecouncilofbc.com
- Office of the Superintendent of Real Estate ([OSRE](#))
- Real Estate Foundation of BC: www.refbc.com