

**Ministry of
Finance**

**2020/21 – 2022/23
SERVICE PLAN**

February 2020



Minister Accountability Statement



The *Ministry of Finance 2020/21 - 2022/23 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.

I wish to thank the staff at the Ministry of Finance. I am proud to work with this committed team of professionals.

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
February 18, 2020

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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:

- 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.
- Policy development with respect to provincial taxes.
- 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 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.
- 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.
- Providing support to public infrastructure projects that are being developed through Community Benefits Agreements.
- Operation of the [Government House](#) and accountability for the [BC Securities Commission](#), the [BC Financial Services Authority](#), [BC Infrastructure Benefits](#), [Partnerships BC](#), and the [Real Estate Council of BC](#).

Strategic Direction

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy.

Ministries are actively working to provide quality, cost-effective services to British Columbia families and businesses. By adopting the Gender-Based Analysis Plus (GBA+) lens to budgeting and policy development, ministries will ensure that equity is reflected in budgets, policies and programs.

Additional key initiatives underpinning lasting prosperity in 2020/21 and beyond are the implementation of:

- A Framework for Improving British Columbians' Standard of Living which will provide the foundation for quality economic growth in our province and a pathway to a more inclusive and prosperous society,
- The *Declaration on the Rights of Indigenous Peoples Act* and the Truth and Reconciliation Commission Calls to Action, demonstrating support for true and lasting reconciliation, and
- The CleanBC plan, putting B.C. on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water.

The Economic Forecast Council (EFC) expects B.C.'s real GDP to grow by 2.4 per cent in 2020 and 2.3 per cent in 2021. Meanwhile for Canada, the EFC projects national real GDP growth of 1.7 per cent in 2020 and 1.8 per cent in 2021. As such, B.C.'s economic growth is expected to outperform Canada's in the coming years. Risks to B.C.'s economic outlook include ongoing uncertainty regarding global trade policies and weak global economic activity, as well as lower commodity prices and slower domestic economic growth. Meanwhile, LNG development in the province is expected to have a positive impact on B.C.'s economy.

This 2020/21 service plan outlines how the Ministry of Finance will support the government's priorities, including selected action items identified in the July 2017 Minister's [Mandate Letter](#). Over the previous fiscal year, the Ministry of Finance made progress on these priorities by:

- Completing the implementation of the Speculation and Vacancy Tax;
- Eliminating Medical Service Plan fees as of January 1, 2020; and
- Establishing the BC Financial Services Authority in November 2019.

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 the three core priorities of government. Over the next year the ministry will take specific actions to:

- Ensure Budget 2020/21 reports as balanced as per Public Accounts released in summer 2021;
- Take measures to continue to address housing affordability, close real estate speculation loopholes, and reduce tax fraud and money laundering in the B.C. real estate marketplace; and
- Support British Columbians by growing a diverse, safe and skilled workforce.

Goal 1: Sound and transparent management of government’s finances

The ministry is responsible for achieving government’s goal of balancing the needs and priorities of British Columbians within a balanced fiscal plan. 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

The government’s ability to achieve a sustainable fiscal environment relies on the development and maintenance of a prudent and resilient fiscal plan. The ministry plays a critical role in overseeing the fiscal plan and works closely with provincial ministries and other public sector partners to ensure that government’s annual and three-year revenue, operating and capital expenditure targets are met, and government priorities are reflected. In addition, the ministry leads negotiations with the federal government on major federal transfers.

Key Strategies:

- Develop and prepare the economic forecast, incorporating an appropriate amount of prudence relative to the private sector outlook, and monitor changes in the forecast and B.C.’s economy that impact Government’s fiscal plan.
- Develop, prepare and monitor forecasts of revenues, expenditure and debt set out in *Budget 2020* to identify risks and opportunities to the fiscal plan, develop risk mitigation strategies, and take corrective action as required to meet targets.
- Develop and manage Government’s corporate capital plan within an affordability framework and consistent with the strategic priorities of government.
- Ensure effective cash management and debt issuance to minimize borrowing requirements and debt service costs.
- Support increased trade and investment with B.C. through investor tours, trade missions and financing strategies that enhance the province’s trade presence in key markets.

Performance Measure	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.1 Balanced Budget ¹	\$203M	\$227M	\$179M	\$374M

¹ Data Source: *British Columbia Budget and Fiscal Plan*.

Linking Performance Measure to Objective:

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 2020/21 and in future years.

Objective 1.2: Accountable, efficient and transparent financial and program management across government

Key Strategies:

- Prepare the annual Budget and Fiscal Plan, Estimates and quarterly reports in accordance with statutory requirements.
- Support the broader public sector to develop and implement increasingly inclusive and equitable programs.
- Provide policy leadership and guidelines regarding performance planning and reporting standards to ensure the public sector meets accountability and transparency requirements.
- Oversee government’s financial, procurement and administrative management framework and ensure core policies are effectively administered.
- Monitor, evaluate and report on the effectiveness of internal controls.
- Ensure treasury, risk management, and security services align with related policies and support the requirements of government and public sector clients.

Performance Measure	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.2 Audit opinion provided by the Office of the Auditor General ¹	<i>Public Accounts</i> in accordance with GAAP	<i>Public Accounts</i> in accordance with GAAP	<i>Public Accounts</i> in accordance with GAAP	<i>Public Accounts</i> in accordance with GAAP

¹ Data Source: Release of *Public Accounts*.

Linking Performance Measure to Objective:

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 (generally accepted accounting principles). 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: Responsive, fair and effective revenue, tax and benefit administration

Key Strategies:

- Work with citizens, clients, stakeholders and other jurisdictions to ensure tax, revenue and benefit programs are effectively administered, including compliance and enforcement activities.
- Help improve and promote citizen-centred tax information and education to ensure individuals and businesses fully understand their financial obligations and ensure everyone pays their fair share of taxes.
- Continue to implement new technology and process improvements to the tax administration system that improves the citizen experience, increases engagement with clients, enhances self-service options, and enable effective compliance and enforcement activities.
- Implementation of the Revenue Services Transition Project to support the successful repatriation of revenue management and IM/IT services currently managed under contract back into government.

Performance Measure	2018/19 Baseline	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.3a Percentage of on-time payments ¹	96.0%	98.0%	Upward trend	Upward trend	Upward trend
1.3b Cost to collect one dollar of tax revenue ¹	\$0.0054	\$0.0049	Downward trend	Downward trend	Downward trend
1.3c Accounts receivable as a percentage of total tax revenue ¹	1.48%	2.20%	Downward trend	Downward trend	Downward trend

¹ Data Source: Revenue Services Division information systems.

Linking Performance Measure to Objective:

The ministry has three measures that report on the effectiveness of 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 tax payments and other revenues received on or before their legislated due date. The measure 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.

Goal 2: Strong, sustainable and innovative economy

The ministry has a critical role in helping to make B.C.'s tax system fair for all citizens, bringing the housing market back into balance, and supporting a robust regulatory environment. and making B.C.'s tax system fair for all citizens.

Objective 2.1: A modern, progressive and fair tax system and a robust regulatory environment

A tax system that is perceived by British Columbians to be fair increases their confidence in government. Furthermore, the Province's ability to support a strong economy depends on a regulatory environment that is benchmarked nationally and internationally. Jurisdictions with competitive tax regimes and regulatory frameworks are successful in attracting and retaining personal and business investment.

Key Strategies:

- Develop and implement tax and other measures that foster economic growth and help address inequality to ensure the tax system works for all British Columbians, especially disadvantaged and marginalized populations.
- Ensure financial services and real estate regulatory frameworks are efficient and effective and protect the public interest.
- Continue to work with other provinces and territories to establish standards for capital market regulation that protects and supports B.C.'s interests and ensures the province's securities industry is not negatively impacted.

Performance Measure	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.1a Provincial ranking of corporate income tax rates ¹	4 th Lowest	Remain in lowest four	Remain in lowest four	Remain in lowest four
2.1b Provincial ranking of personal income tax rates for bottom bracket ¹	2 nd Lowest	Remain in lowest two	Remain in lowest two	Remain in lowest two
2.1c Provincial ranking of personal income tax rates for second lowest bracket ¹	Lowest	Remain in lowest two	Remain in lowest two	Remain in lowest two

¹ Data Source: Published legislation and budgets from all 10 provinces.

Linking Performance Measure to Objective:

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.

Objective 2.2: A fair and transparent housing market

Key Strategies:

- Continue work on the ministry’s commitments in Government’s *Homes for BC: a 30-Point Plan for Housing*.
- Work with the Real Estate Council of BC and the BC Financial Services Authority to transition to a single regulator for the B.C. real estate industry.
- Strengthen consumer protection in B.C.’s real estate market through oversight of real estate licensees and addressing unlicensed and illegal real estate activity including money laundering.
- Monitor effects of the speculation and vacancy tax, and the foreign buyers’ tax to ensure desired results are achieved.
- Work with federal government and the B.C. financial services regulators to address money laundering.

Performance Measure	2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22 Target	2022/23 Target
2.2 Residential sales-to-new listing ratio ¹	53%	54%	Ratio between 40% and 60%	Ratio between 40% and 60%	Ratio between 40% and 60%

¹ Data Source: Haver Analytics/Canadian Real Estate Association. The data used for this measure is for the calendar year that ends in the stated fiscal year (e.g. 2019 calendar year data is used for 2019/20).

Linking Performance Measure to Objective:

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 2.3: Effective oversight of public sector organizations

Key Strategies:

- Continue to ensure that GBA+ is effectively implemented through training as well as monitoring and reporting on practices.
- Support Treasury Board in carrying out its oversight responsibilities related to financial requests of public sector organizations and matters with financial implications across the Government Reporting Entity.
- Build and maintain strong governance capacity within government and the broader public sector by providing tools, education and professional development opportunities.

- Provide training and facilitate an open, transparent and merit-based process for provincial appointments, resulting in effective public sector organization boards that reflect the diversity of B.C.
- Report on financial plans and performance in accordance with statutory requirements.
- Support corporate governance and financial management oversight frameworks between central agencies and ministries, and between ministries and public sector organizations

Performance Measure		2017/18 Baseline	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.3	Women make up a minimum of 50% of government-appointed members on public sector organization boards ¹	41.5%	49.9%	50%	50%	50%

¹ Data Source: Internal Ministry data.

Linking Performance Measure to Objective:

One way to measure the effectiveness of government’s oversight of public sector organizations is by tracking how representative boards are of the diversity of B.C. The proportion of men and women appointed by government to public sector organizations is currently tracked and is a starting point from which to begin measuring progress towards greater diversity and inclusion on public sector boards.

Objective 2.4: Provide support to all ministries in the delivery of community benefits on public infrastructure projects.

Key Strategies:

- Support Government’s community benefits objectives through the development and implementation of the Community Benefits Framework policy, which ensures public infrastructure spending delivers more opportunities for apprenticeship completions and training, increased opportunities for Indigenous peoples, women and other equity seeking groups, good paying jobs, improved access for local business and workers, and consideration of environmentally beneficial practices.
- Encourage and support the consistent use of the Community Benefits Framework policy across ministries and collect data on community benefits objectives.
- Ensure regular reporting of community benefits objectives to demonstrate the progress of the Community Benefits Framework policy.

Performance Measure:

The Ministry is developing a performance management framework to evaluate the effectiveness of the Community Benefits Framework. Baseline measures will be established in 2020/21 and targets set for outgoing years in order to introduce these performance measures in the 2021/22 Service Plan.

Resource Summary

Core Business Area	2019/20 Restated Budget¹	2020/21 Estimate	2021/22 Plan	2022/23 Plan
Operating Expenses (\$000)				
Treasury Board Staff	7,073	6,847	6,855	6,855
Office of the Comptroller General	21,702	21,636	21,799	21,799
Treasury	1	1	1	1
Revenue Division	179,108	183,088	177,674	177,674
Policy and Legislation	7,694	7,379	7,388	5,879
Public Sector Employers' Council Secretariat	16,852	16,787	16,790	16,790
Crown Agencies and Board Resourcing Office	1,556	1,436	1,439	1,439
Executive and Support Services	31,341	30,317	31,295	31,295
Housing Priority Initiatives special account	488,771	456,289	505,829	598,640
Insurance and Risk Management Account	4,562	4,573	4,587	4,587
Provincial Home Acquisition Wind Up special account	10	10	10	10
Total	758,670	728,363	773,667	864,969
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Executive and Support Services	547	133	181	10
Total	547	133	181	10
Other Financing Transactions (\$000)				
Reconstruction Loan Portfolio (Homeowner Protection Act Loan Program)				
Receipts	(2,500)	(2,000)	(1,000)	(1,000)
Disbursements	10	5	0	0
Net Cash Requirement (Source)	(2,490)	(1,995)	(1,000)	(1,000)

Core Business Area	2019/20 Restated Budget ¹	2020/21 Estimate	2021/22 Plan	2022/23 Plan
Other Financing Transactions (\$000) Continued				
Student Aid BC Loan Program				
Receipts	(115,000)	(115,000)	(115,000)	(115,000)
Disbursements	230,000	230,000	230,000	230,000
Net Cash Requirement (Source)	115,000	115,000	115,000	115,000
International Fuel Tax Agreement Motor Fuel Tax Act				
Receipts	(14,500)	(16,000)	(16,000)	(16,000)
Disbursements	3,000	5,000	5,000	5,000
Net Cash Requirement (Source)	(11,500)	(11,000)	(11,000)	(11,000)
Land Tax Deferment Act				
Receipts	(77,000)	(75,000)	(75,000)	(75,000)
Disbursements	240,000	310,000	325,000	350,000
Net Cash Requirement (Source)	163,000	235,000	250,000	275,000
Improvement District Loans (Local Government Act)				
Receipts	(1,600)	(1,300)	(1,300)	(1,300)
Disbursements	1,500	1,800	1,900	19,500
Net Cash Requirement (Source)	(100)	500	600	18,200
Total Receipts	(210,600)	(209,300)	(208,300)	(208,300)
Total Disbursements	474,510	546,805	561,900	604,500
Total Net Cash Requirement (Source)	263,910	337,505	353,600	396,200

¹ For comparative purposes, amounts shown for 2019/20 have been restated to be consistent with the presentation of the 2020/21 Estimates.

* 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

Government Communications and Public Engagement (GCPE) provides centralized communications management and services for government. The mandate of 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 supports direct engagement with citizens through ongoing dialogue concerning the development and design of key initiatives (e.g. supporting communications and public engagement activities for the implementation of CleanBC).

In today's fast-paced and media-rich world, it is important to ensure that government communicates effectively so people know what services are available to them, what changes are made to those services, and how to access them. GCPE is responsible for helping to shape the way the B.C. government talks to citizens through various channels, from traditional advertising and earned media techniques, to innovative digital communications, and ensuring that peoples' voices are heard when important decisions are being made through direct engagement on a variety of issues.

GCPE engages and informs British Columbians on government initiatives to connect directly to the information and services they need. This is achieved by expanding government's reach in communicating via direct (social media) and filtered (media) communications, and by helping them access the public services they need.

Resource Summary

Core Business Area	2019/20 Restated Estimates ¹	2020/21 Estimates	2021/22 Plan	2022/23 Plan
Operating Expenses (\$000)				
Government Communications	29,350	28,326	28,338	28,338
Total	29,350	28,326	28,338	28,338

1. For comparative purposes, amounts shown for 2019/20 have been restated to be consistent with the presentation of the 2020/21 Estimates.

Appendix B: BC Public Service Agency

Purpose of the Agency

The [BC Public Service Agency](#) (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 Agency supports that work 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 BC Public Service is in the midst of a demographic transition, as long-serving employees retire and are replaced by a new generation of public servants.

In addition to its core services and functions, priorities for the Agency in the coming year include:

- An update to the Corporate Plan for the BC Public Service, mapping out priorities to continue the renewal of the public service as an employer to ensure it remains responsive to evolving needs and expectations of government and the public.
- Continued efforts to ensure the BC Public Service is a more inclusive employer that reflects and embraces the diversity of the province it serves.
- A strong focus on the importance of the ethical foundation of the public service, including implementation of the *Public Interest Disclosure Act*.

Links to Key Programs and Initiatives

- [Public Service Agency Programs & Strategies](#)
- [Careers in the BC Public Service](#)
- [Indigenous Youth Internship Program](#)
- [Diversity, Inclusion & Respect](#)
- [Public Interest Disclosure Act \(PIDA\)](#)

Resource Summary

Core Business Area	2019/20 Restated Budget¹	2020/21 Estimate	2021/22 Plan	2022/23 Plan
Operating Expenses (\$000)				
BC Public Service Agency	56,545	54,381	54,628	54,628
Benefits and Other Employment Costs	1	1	1	1
Long Term Disability Fund Special Account	24,784	26,548	26,548	26,548
Total	81,330	80,930	81,177	81,177
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 2019/20 have been restated to be consistent with the presentation of the 2020/21 Estimates.

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

Appendix C: Crowns and Other Key Organizations

Crown Corporations

- BC Financial Services Authority: www.bcfsa.ca
- BC Infrastructure Benefits: www.bcib.ca
- BC Securities Commission: www.bcsc.bc.ca
- Partnerships BC: www.partnershipsbc.ca
- Real Estate Council of BC: www.recbc.ca
- Real Estate Foundation of BC: www.refbc.com

Other Key Organizations

- BC Investment Management Corporation: www.bcimc.com
- Credit Union Deposit Insurance Corporation: www.cudicbc.ca
- Insurance Council of BC: www.insurancecouncilofbc.com