

Ministry of Finance

2018/19 Annual Service Plan Report



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Minister's Message and Accountability Statement



Our government is building a strong, sustainable economy that benefits all British Columbians, not just the few at the top. We're focused on investing in our greatest resource — the people who power our province. As Minister of Finance, I am proud of the bold steps we have taken to make life more affordable, improve the services people rely on and invest in a strong, sustainable economy. Our plan to put people first and build a brighter future will make life better for years to come.

Two years ago, we set the province on the path to universal child care with historic investments in a made-in-B.C. child care plan. We have made significant progress on our 30-point housing plan, building new supply and introducing measures to ensure affordable housing is within people's reach — and we're seeing results.

British Columbia is an economic leader across Canada, our budget is balanced and we're making investments in people and services that are helping everyone, from families to businesses, get ahead. B.C. continues to lead the country as the only province with an 'AAA' credit rating from all three international credit rating agencies, we have had the lowest unemployment rate for 23 consecutive months and we also eliminated the operating debt for the first time in 40 years.

The Sustainable Services Negotiating Mandate is underway, with more than 220,000 public sector employees currently covered by tentative or ratified agreements. The mandate focuses on improving services for people and ensuring fair and affordable compensation. The mandate is consistent with province's commitment to balanced budgets and sound fiscal management.

Our government is committed to advancing gender equality and bringing a gender equity lens into the policies and programs government provides. This means working to advance women's economic and political empowerment, eliminating systemic barriers and ending gender-based violence. Our approach will help us make decisions that are reflective of the diverse people who contribute to our province.

I wish to thank the incredibly professional and dedicated staff in the Ministry of Finance. It is my honour to work with them every day to help make life better for British Columbians, and I am grateful for their unwavering commitment to serving the people of this province.

The Ministry of Finance *2018/19 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2018/19 – 2020/21 Service Plan* created in February 2018. I am accountable for those results as reported.

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

Table of Contents

Minister’s Message and Accountability Statement	3
Purpose of the Annual Service Plan Report.....	5
Purpose of the Ministry.....	5
Strategic Direction	6
Operating Environment.....	6
Report on Performance	8
Financial Report.....	17
Resource Summary	17
Appendix A: Financial Institutions Commission.....	20
Appendix B: Government Communications and Public Engagement.....	25
Appendix C: Public Sector Employers’ Council Secretariat	28
Appendix D: Public Service Agency	31
Appendix E: Other Agencies, Boards, Commissions and Tribunals	36

Purpose of the Annual Service Plan Report

The Annual Service Plan Report (ASPR) is designed to meet the requirements of the *Budget Transparency and Accountability Act* (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Minister is required to report on the actual results of the Ministry's performance related to the forecasted targets documented in the previous year's Service Plan.

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.
- Lead the implementation of Gender-Based Analysis Plus (GBA+) across the public service and 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 [Real Estate Council of BC](#).

Strategic Direction

The strategic direction set by Government in 2017 and expanded upon in the Minister’s [Mandate Letter](#) shaped the [Ministry of Finance 2018/19 – 2020/21 Service Plan](#) and the results reported in this ASPR.

The following table highlights the key goals, objectives or strategies that support the key priorities of Government identified in the 2018/19 Ministry of Finance Service Plan:

Government Priorities	Ministry of Finance Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • Providing a modern and fair tax system and a robust regulatory environment (Objective 2.1)
Delivering the services people count on	<ul style="list-style-type: none"> • Delivering accountable, efficient and transparent financial and program management across government (Objective 1.3) • Providing responsive, effective and fair revenue, tax and benefit administration that funds provincial programs and services (Objective 2.2) • Enhancing public confidence in B.C.’s housing market (Objective 2.3) • Maintaining confidence in public sector organizations (Goal 3)
A strong, sustainable economy	<ul style="list-style-type: none"> • Ensuring effective management of government’s fiscal plan (Objective 1.1) • Ensuring effective management of government’s finances (Objective 1.2) • Providing a modern and fair tax system and a robust regulatory environment (Objective 2.1)

Operating Environment

Across government, ministries worked to make life more affordable, improve the services people count on, and build a strong, sustainable economy in every corner of the province. Our government made investments in child care and housing, in education and health care and in the skilled workers and infrastructure B.C. needs.

Within the Ministry of Finance, these priorities were reflected in actions that included continuing to take steps to address housing affordability and making our tax system more progressive and fairer for people. Concrete action on housing affordability included the introduction of the Speculation and Vacancy Tax. This was a key component of Government’s plan to tackle the housing crisis by discouraging speculation and leaving homes vacant. The Ministry also implemented new real estate rules to further protect home buyers and enhance transparency and fairness in the housing market.

The Ministry successfully eliminated the Province's direct operating debt, balanced the budget through prudent fiscal management of public funds, and maintained the province's triple-A credit rating. These actions served to keep borrowing costs low and supported increased trade and investment in B.C. Effective management of government's fiscal plan included the ongoing commitment to the identification and collection of amounts owed to government in a manner that is fair and respectful to citizens and taxpayers.

British Columbia's real GDP increased by 2.4 per cent in 2018 (according to preliminary GDP by industry data from Statistics Canada), compared to 2 per cent nationally. Employment in B.C. grew by 1.1 per cent. Labour market conditions tightened further, with B.C.'s unemployment rate falling from 5.1 per cent in 2017 to 4.7 per cent in 2018, which was again the lowest unemployment rate among Canadian provinces. Average weekly wages grew by 4.1 per cent – the highest rate since 2008. The B.C. consumer price index in 2018 rose 2.7 per cent, so this increase in average wages translated into an increase in real wages following two years of decline. Domestic spending slowed somewhat, reflected by slower growth in retail sales and further moderation in housing activity, particularly home sales. Residential construction was strong with housing starts well above the historical average. Meanwhile, foreign demand overseas helped to support solid growth overall in B.C.'s merchandise exports.

Despite global economic risks – particularly surrounding trade tensions, political and economic uncertainty and slowing global growth – the province remains on strong and stable fiscal footing. The Ministry will continue to monitor and respond to the changing global environment and will ensure government is able to prudently invest in progressive policies that make life more affordable, improve services and contribute to a strong and sustainable economy. Government's fiscal plan has improved the lives of British Columbians and will continue to pay dividends in the years to come.

Report on Performance

This section reflects performance related to the goals and objectives contained in the [Ministry of Finance 2018/19 – 2020/21 Service Plan](#). In developing and reporting on performance measures and targets in the Annual Service Plan Report, the Ministry incorporates input and data from reliable independent and government sources. These data sources include Ministry financial and business information systems, major credit rating agencies, Public Accounts, and provincial statutes. Comparable information from prior years is provided for historical comparison.

Goals, Objectives, Measures and Targets

Goal 1: Sound and transparent management of government finances

Objective 1.1: Effective management of government’s fiscal plan

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 the federal government, provincial ministries and other public sector partners to ensure that revenue, as well as operating and capital expenditure targets are met, and government priorities are reflected.

Key Highlights:

- An improvement of \$1,161 million in the fiscal surplus from the Third Quarterly Report for 2018/19.
- Taxpayer-supported debt remained affordable, declining in 2018/19 to 14.5 per cent, better than expected at Budget.
- British Columbia’s economy grew by an estimated 2.4% in the 2018 calendar year, stronger than anticipated at Budget. B.C. maintained the lowest provincial unemployment rate in Canada, while wages and salaries continued to increase

Performance Measure	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
1.1a Balanced budget	\$2,727M surplus	\$301M surplus	\$219M surplus	\$1,535M surplus	As set out in budget and fiscal plan	As set out in budget and fiscal plan

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

Discussion

The [2018/19 Public Accounts](#) were released on July 18, 2019.

Objective 1.2: Effective management of government’s finances

The government’s ability to achieve a strong and stable economy relies on the prudent management of government finances. The Ministry plays a critical role in managing the province’s borrowing, financing needs and banking needs.

Key Highlights:

- Eliminated the Province’s direct operating debt.
- Executed new and innovative arrangements with major financial institutions to provide banking services to the government’s new retail cannabis business.
- Facilitated the creation of the Central Agency Risk Committee as part of the government’s Enterprise Wide Risk Management framework and added a new level of oversight and lens on risk management.
- Implemented the Social Services Group Liability Program providing general liability to service providers who deliver social program services on behalf of ministries and government corporations.

Performance Measure	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
1.2a Provincial credit rating	triple-A	triple-A	triple-A	triple-A	triple-A	triple-A

Data Source: Moody’s Investor Service and/or Standard and Poor’s (Credit Rating Agencies).

Discussion

This measure is the provincial credit rating determined by Moody’s Investors Service (Moody’s) or Standard and Poor’s (S&P), both recognized as independent rating agencies. This credit rating influences the interest rate that the Province is charged when it borrows in domestic and international capital markets. In general, credit ratings are provided in descending range from AAA to C with triple-A being the highest and assigned to those public and private sector organizations that are assessed as borrowers with excellent financial security and low risk for investor loss. Organizations with a triple-A credit rating are generally offered the lowest interest rates when borrowing.

In determining the Province’s credit rating, rating agencies evaluate debt as a percentage of Gross Domestic Product (GDP) and of revenues, and interest owing as a percentage of gross receipts. Agencies also consider the government’s track record in meeting its fiscal targets, its transparency in budgeting and reporting, overall economic outlook, and business and consumer confidence in the economy.

With government’s continued focus on prudent fiscal management, the Province maintained its triple-A credit rating from Moody’s and S&P. British Columbia has maintained a triple-A rating from Moody’s for the last eleven years and the last ten years for S&P. British Columbia has the distinction as the only province rated triple-A by both international credit rating agencies.

Objective 1.3: Accountable, efficient and transparent financial and program management across government

The Ministry supports accountability and transparency through the public release of financial and program information, and a variety of governance frameworks that apply to ministries and the broader public sector. The successful implementation of effective governance frameworks supports increased value for use of public funds and contributes to public confidence in government.

Key Highlights:

- Implemented an ongoing, structured approach to keep governments [Core Policy](#) current, relevant and responsive to change.
- Implemented PayBC with the Road Safety Initiative, resulting in over 50% of traffic violations (\$1.6 million) being paid through this portal.
- Implemented a risk-based compliance model to strengthen internal controls, build financial capacity, mitigate financial risk and improve program outcomes in government.
- Implemented a 5-year internal audit plan focussed on reducing risk in government and enhancing value for British Columbians.
- Consolidated and released financial results for each quarter of fiscal 2018/19 supporting government’s transparency and accountability to the public.

Performance Measure	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
1.3a Audit opinion provided by the Office of the Auditor General	Qualified but positive audit opinion from the Auditor General	Qualified but positive audit opinion from the Auditor General	Public Accounts in compliance with GAAP	Qualified but positive audit opinion from the Auditor General	Public Accounts in compliance with GAAP	Public Accounts in compliance with GAAP

Data Source: *Public Accounts*.

Discussion

The Ministry provides detailed commentary on the findings of the Office of the Auditor General in *Public Accounts*. These comments can be viewed [online](#).

Goal 2: A strong, sustainable and innovative economy

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

A fair tax system for British Columbians increases their confidence and trust 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 fair and competitive tax regimes, coupled with fair and efficient regulatory frameworks are critical to attracting and retaining personal and business investment.

Key Highlights:

- Introduced the Speculation and Vacancy Tax. This is a key component of Government’s plan to tackle the housing crisis by discouraging speculation and leaving homes vacant.
- Created the Condo and Strata Assignment Integrity Register that tracks assignments of pre-sale strata contracts to ensure people pay their fair share of taxes. The previous real estate regime in B.C. was vulnerable to those involved in flipping pre-sale condo assignments without paying the appropriate taxes.
- Developed legislation that would create a publicly accessible registry of beneficial owners in land, the first of its kind in the world.
- Completed a review of the province’s real estate regulatory structure that examined the roles and responsibilities of the Real Estate Council of British Columbia and the Office of the Superintendent of Real Estate.

Performance Measures	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
2.1a Provincial ranking of corporate income tax rates	Lowest	Third lowest	Remain in the lowest four	Third lowest	Remain in the lowest four	Remain in the lowest four
2.1b Provincial ranking of personal income tax rates for the bottom tax bracket	Second lowest	Second lowest	Remain in the lowest two	Second lowest	Remain in the lowest two	Remain in the lowest two
2.1c Provincial ranking of personal income tax rates for the second-from-bottom tax bracket	Lowest	Lowest	Remain in the lowest two	Lowest	Remain in the lowest two	Remain in the lowest two

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

Discussion

The measure of the provincial ranking of corporate income tax rates compares the general corporate income tax rate in B.C., as of March 31 each year, to those of other provinces in Canada. The targets reflect government’s commitment to maintaining a competitive tax environment that fosters economic

growth by encouraging business investment and promoting a business-friendly environment. As of March 31, 2019, B.C. was tied for the third lowest corporate income tax rate among provinces in Canada.

The two measures of the provincial ranking of personal income tax rates compare 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. These targets demonstrate government's commitment to maintaining low tax rates for individuals and families living and working in B.C.

In 2018/19, B.C. met or exceeded the performance targets, providing fair and competitive income tax rates for businesses, individuals and families.

Objective 2.2: Responsive, effective and fair revenue, tax and benefit administration that funds provincial programs and services

The Ministry manages revenue in relation to statutes it directly administers, as well as statutes administered by other ministries. These revenues support the provision of important government programs and services such as health care, education, social services and transportation infrastructure for British Columbians. The Ministry is committed to identifying and collecting amounts owed to government in a manner that is fair and respectful to citizens and taxpayers.

Key Highlights:

- Implemented programs in the Taxpayer Administration & Compliance Services system and other online portals to assist individuals and businesses to understand their obligations and pay on time.
- Increased coordination between systems, business processes and programs to reduce overhead and administration costs.
- Managed effective overarching tax administration strategies, while maintaining program and statute requirements.
- Implemented Employer Health Tax and Speculation and Vacancy Tax.

Performance Measures	2018/19 Baseline	2019/20 Target	2020/21 Target
2.2a Percentage of on-time payments	96%	Upward trend	Upward trend
2.2b Cost to collect one dollar of tax revenue	\$0.0054	Downward trend	Downward trend
2.2c Accounts receivable as a percentage of total tax revenue	1.48%	Downward trend	Downward trend

Data Source: Revenue Services Division information systems.

Note: These are new measures for the Ministry. Baselines for all three measures were established in 2018/19 and targets for the 2019/20 – 2021-22 period are included in the 2019/20 Ministry Service Plan.

Discussion

These measures report on the efficacy of the Ministry's revenue collection programs. The measures were introduced in the 2018/19 Service Plan with the intent of establishing baselines in 2018/19 and setting targets for outgoing years.

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 and their willingness to pay.

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.

Objective 2.3: Public confidence in B.C.'s housing market

The Office of the Superintendent of Real Estate (OSRE) is a regulatory agency of the B.C. government that is mandated to protect the public interest and prevent harm to real estate consumers. OSRE provides oversight and regulation of the real estate industry in B.C., pursuant to the *Real Estate Services Act*, *Real Estate Development Marketing Act* and *Strata Property Act*. The Superintendent of Real Estate may oversee and direct the Real Estate Council of British Columbia to establish professional conduct requirements for real estate licensees through the Real Estate Rules. OSRE is also responsible for regulating the marketing of multi-unit development properties, such as condos and townhouses, and investigates allegations of unlicensed real estate activity in B.C.

Key Highlights:

- Commissioned the Real Estate Regulatory Structure Review that made recommendations on how to strengthen the regulation of the real estate sector in B.C.
- Implemented new Rules related to agency and enhanced consumer disclosures, making B.C. the first jurisdiction in Canada to ban dual agency except in limited circumstances.
- Developed and implemented the Condo and Strata Assignment Integrity Register (CSAIR), which requires developers to report information about the assignment of purchase agreements for residential condos.
- Worked with cross-government partners to share information and best practices regarding money laundering, illegal flows of money, market abuse and tax evasion in the real estate sector.

Performance Measure	2018/19 Target	2018/19 Actual	2019/20 Target	2020/21 Target
2.3a Real estate development disclosures and strata rental disclosures are reviewed within 20 business days of receipt	90%	98.6%	90%	90%

Data Source: Real Estate Tracking System.

Note: This measure was established in the 2018/19 Ministry Service Plan. A baseline has been established and targets for the 2019/20 – 2021-22 period are included in the 2019/20 Ministry Service Plan.

Discussion

This measure indicates OSRE’s success in reviewing developer marketing disclosures and rental rights disclosures in accordance with *the Real Estate Development Marketing Act* and the *Strata Property Act*. A 20-day timeframe for review and receipt ensures that disclosures are promptly finalized by developers and provided to purchasers and allows a reasonable period for the regulatory review. Marketing may begin upon delivery of the disclosure and, if necessary, the disclosure may subsequently be amended. In 2018/19, OSRE received 806 disclosure statements for review. OSRE is forecasting a decrease in disclosures in 2019/20 as activity in the real estate market moderates.

Goal 3: Confidence in public sector organizations

Objective 3.1: Government has effective oversight of public sector organizations

Public sector organizations are established by government to serve the public interest and to advance overall public policy objectives. These include Crown corporations, post-secondary institutions, health authorities, school districts, commissions, and councils. Collectively, these [organizations](#) manage billions of dollars in assets and liabilities and operate in many sectors of the provincial economy, including transportation, energy and resources, and oversee the delivery of core services such as health care, education, and public utilities.

Effective oversight of these organizations is critical to protect taxpayers, ensure strategic alignment with government’s priorities and preserve public confidence in the management of public sector programs and services. To support this work the Ministry has developed and delivered workshops and training programs for Board Chairs and other public sector appointees that promote effective governance, ensure alignment with the priorities of government and increase transparency and accountability.

Government is also committed to creating a fairer and more inclusive society and supports greater diversity on public sector organization boards. Provincial appointments that represent the diversity of B.C. will better serve and support the population at large including visible minorities, people with disabilities, women, Indigenous people and the LGBTQ2S+ community.

Key Highlights:

- Successfully supported ministries in the creation of Crown Corporations and other Crown agencies such as BC Infrastructure Benefits and the Poverty Reduction Advisory Committee.
- Facilitated the appointment of 1,239 members to various government agencies, boards and commissions.
- Held the annual Crown Corporation Board Chair workshop to support good governance practices and promote alignment with government priorities.

Performance Measure	Baseline ¹	2017/18 Actuals ²	2018/19 Target	2018/19 Actuals	2019/20 Target ³	2020/21 Target
3.1a Women make up a minimum of 45% of government-appointed members on public sector organization boards by 2021	41.5%	43.1%	43%	49.1%	44%	45%

Data Source: Crown Agencies and Board Resourcing Office’s Agency Management System. Actuals are as at March 31 of the respective fiscal year.

¹ Baseline was established in Q1 of 2017/18.

² 2017/18 Actuals were not available until March 31, 2018 and therefore were not included in the 2018/19 Service Plan tabled in February.

³ Future targets will be revised based on 2018/19 actuals for the 2020/21 Service Plan.

Discussion

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 was first tracked in July 2017. It is the starting point from which Government may begin to measure progress towards greater diversity and inclusion on public sector boards. Government's commitment to diversity and inclusion will be reflected over time in board appointments. Recruitment strategies are underway to increase participation from visible minorities, people with disabilities, women, Indigenous people and the LGBTQ2S+ communities. Strategies will also be developed to measure participation across the boards.

Financial Report

Resource Summary

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Treasury Board Staff	7,026		7,026	6,747	(279)
Office of the Comptroller General	21,266	1,138	22,404	20,724	(1,680)
Treasury	1		1	0	(1)
Revenue Division	90,545	211,703	302,248	306,952	4,704
Policy and Legislation	6,283		6,283	5,604	(679)
Public Sector Employers' Council Secretariat	16,839	2,300	19,139	18,874	(265)
Crown Agencies and Board Resourcing Office	855		855	1,496	641
Executive and Support Services	29,766	1,225	30,991	28,550	(2,441)
Insurance and Risk Management Account	4,493		4,493	2,559	(1,934)
Provincial Home Acquisition Wind Up special account	10		10	0	(10)
Housing Priority Initiatives special account	283,225	37,500	320,725	320,725	0
Sub-Total	460,309	253,866	714,175	712,231	(1,944)
Teachers' Pension Plan Prior Year Accrual ²	0		0	(53,421)	(53,421)
Insurance and Risk Management Account Prior Year Accrual ²	0		0	(25,780)	(25,780)
Other Adjustments of Prior Year Accrual ²	0		0	(446)	(446)
Total	460,309	253,866	714,175	632,584	(81,591)
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Executive and Support Services ³	644		644	164	(480)
Total	644	0	644	164	(480)

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance
Other Financing Transactions (\$000)					
Reconstruction Loan Portfolio (<i>Homeowner Protection Act</i> Loan Program)					
Receipts	(3,500)	0	(3,500)	(3,443)	57
Disbursements	15	0	15	0	(15)
Net Cash Requirement (Source)	(3,485)	0	(3,485)	(3,443)	42
Student Aid BC Loan Program					
Receipts	(115,000)		(115,000)	(150,052)	(35,052)
Disbursements	230,000		230,000	197,561	(32,439)
Net Cash Requirement (Source)	115,000	0	115,000	47,508	(67,491)
International Fuel Tax Agreement (<i>Motor Fuel Tax Act</i>)					
Receipts	(14,500)		(14,500)	(13,435)	1,065
Disbursements	3,000		3,000	4,129	1,129
Net Cash Requirement (Source)	(11,500)	0	(11,500)	(9,306)	2,194
Land Tax Deferment Act					
Receipts	(70,000)		(70,000)	(63,748)	6,252
Disbursements	145,000		145,000	242,281	97,281
Net Cash Requirement (Source)	75,000	0	75,000	178,533	103,533
Improvement District Loans (<i>Local Government Act</i>)					
Receipts	(1,498)		(1,498)	(1,235)	263
Disbursements	1,500		1,500	1,020	(480)
Net Cash Requirement (Source)	2	0	2	(215)	(217)
Ad-Hoc Loans and Investments					
Receipts	0	0	0	(168)	(168)
Disbursements	0	0	0	0	0
Net Cash Requirement (Source)	0	0	0	(168)	(168)
Total Receipts	(204,498)	0	(204,498)	(232,081)	(27,583)
Total Disbursements	379,515	0	379,515	444,991	65,476
Total Net Cash Requirement (Source)	175,017	0	175,017	212,910	37,893

- 1 “Other Authorizations” include Supplementary Estimates, Statutory Appropriations and approved funding from the Contingencies Vote. In 2018/19, other authorizations included:
 - Statutory appropriation under section 17(3) of the *Financial Administration Act* for costs related to the BC Student Loans Program interest elimination (\$199.357 million);
 - Approved funding from the Contingencies Vote (\$17.009 million) consisting of \$9.481 million for ministry operations cost pressures, \$4.740 million for the Liquefied Natural Gas system valuation, \$2.300 million for operating grants to Health Employers’ Association of BC, and \$0.489 million for the Parliamentary Secretary for Gender Equity; and
 - Statutory appropriation under section 9.7(3) of the *Special Accounts Appropriation and Control Act* for the acceleration of Budget 2018 grant payments in 2018/19 to increase the affordability of existing housing projects (\$37.5 million).
- 2 Represents the reversal of accruals in the previous year.
- 3 Capital budget is used to purchase assets on a needs basis.

Appendix A: Financial Institutions Commission

Purpose of the Organization

The [Financial Institutions Commission](#) (FICOM) is a regulatory agency of the provincial Ministry of Finance. FICOM is responsible for administering statutes that provide regulatory oversight of pension plans, mortgage brokers, deposit taking institutions (credit unions), trust companies and insurers in B.C. The primary focus of this regulatory framework is to ensure that:

- Institutions and pension plans in these sectors remain solvent.
- Market conduct requirements for these sectors are respected.
- Unsuitable individuals do not participate in financial service markets.

FICOM also administers a deposit insurance program for B.C. credit unions through the [Credit Union Deposit Insurance Corporation](#) (CUDIC).

Strategic Direction

The strategic direction set by Government in 2017 and expanded upon in the Minister’s [Mandate Letter](#) shaped the [2018/19 Service Plan](#) and the results reported in this Annual Service Plan Report.

The following table highlights the key goals, objectives or strategies that support the key priorities of Government identified in the 2018/19 Ministry of Finance Service Plan:

Government Priorities	FICOM Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • FICOM addresses misconduct in the real estate marketplace both directly and in partnership with other regulators and agencies.
Delivering the services people count on	<ul style="list-style-type: none"> • As a provincial financial services regulator, we protect the public from undue loss and unfair market conduct for those areas we regulate. We do this through a public centric regulatory approach.
A strong, sustainable economy	<ul style="list-style-type: none"> • We build confidence and trust in the financial services sector for the benefit of British Columbians by regulating the institutions, pension plans, and mortgage brokers we oversee.

Operating Environment

FICOM experienced significant change in 2018/19 because of both internal and external factors.

Internally, this included planning activities to transition FICOM to Crown Agency status. The transition will provide a range of benefits to support the organization in delivering against its mandate. Attracting and retaining talent remains a focus and while vacancy rates have improved

significantly, ongoing focus is required to ensure FICOM can provide the necessary regulatory oversight in the rapidly changing financial services sectors in B.C.

Externally, FICOM responded to current and emerging issues to consumers in the mortgage broker and insurance sectors and continued to strengthen oversight of the credit union and pensions sectors and its administration of the deposit insurance fund. FICOM is monitoring a range of issues including a softening real estate market, consumer debt levels, fintech developments, and is committed to proactive responses to such issues. The transition to Crown Agency will enable FICOM with a modern governance model that aligns with international best practices and strengthens our ability to protect British Columbians.

Report on Performance

Goals, Objectives, Measures and Targets

Goal 1: Enhance interaction with the public

Objective 1.1: More effective communication with consumers and the public

Key Highlights:

- Proactive media engagement strategy increased public and industry awareness of the regulator and its expectations, including television, print, and industry publication coverage of speeches, policy positions, and enforcement actions.
- Enforcement actions demonstrated that FICOM treats mortgage and insurance industry conduct seriously, with multiple public orders addressing fraud, “shadow” mortgage brokering, private lending, and home warranty insurance.

Discussion

Beginning in 2018/19 FICOM increased its public visibility through a proactive media outreach, which builds understanding of FICOM’s regulatory mandate and encourages more British Columbians to contact us with their issues related to the financial services sectors. We leveraged partnerships with other regulators to address issues that are important to B.C. and continued to implement regulatory standards that respond to both international best practices and the expectations of consumers (for example, fair treatment standards).

Goal 2: Invest in our people and organizational capabilities

Objective 2.1: Strengthen FICOM’s culture of supporting an engaged and knowledgeable workforce with enhanced tools and technology

Key Highlights:

- Successfully reduced organization vacancy rate from 27% to less than 18% during this fiscal.
- Successfully stabilized organization turnover rate of 17%, after a significant reduction from 33% in 2017/18.
- Work Environment Survey (WES) employee engagement score improved from 64% to 68%.

Performance Measure 1: Organization Vacancy Rate

Performance Measure	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
FICOM employee vacancy rate (%)	37%	27%	18%	15%	9%	8%

Data Source: Human Resources Information Management System.

Discussion

FICOM has traditionally experienced high organization vacancy rates and turnover rates. The inability to retain and attract talent has impacted FICOM’s ability to effectively deliver on its mandate and has negatively impacted employee engagement. Actions to drive improvements in staff turnover and vacancy rates will provide increased stability in the organization and reinforce an engaged and knowledgeable workforce culture. In fiscal 2018/19, we achieved the target performance measure for vacancy rate and lowered staff turnover rate in the organization.

Goal 3: Continuously improve and enhance FICOM’s framework for risk management

Objective 3.1: FICOM regulates their respective industries and organizations using a mature risk-based management (supervisory) framework

Key Highlights:

- At the end of 2018/19, while several credit unions, insurance companies, and trust companies were subject to formal supervisory intervention and elevated monitoring and engagement, the clear majority of provincially regulated financial institutions were not subject to intervention.
- FICOM’s supervisory reviews remained focussed on assessing risks and strengthening risk management and controls in institutions where weaknesses have been identified and bringing institutions within the three-year onsite target identified below.

Performance Measure 2: Number of Onsite/Assessments Completed

Performance Measure	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
Supervisory reviews complete for financial institutions within three years	75%	85%	70%	72%	Under review	Under review

Data Source: Financial Institutions Division (FID) Supervision Information Management System.

Discussion

All financial institutions are routinely monitored for risk as part of normal supervisory activities. Those activities are supplemented by in-depth onsite reviews when specific risks are identified and as part of a regular onsite schedule, tailored to the size of the institution. FICOM has maintained the intensity of its ongoing monitoring and onsite program, and increased its regulatory visibility more broadly through increased participation in Annual General Meetings, industry meetings, and in bilateral engagements with Boards and senior management. FICOM remains committed to bringing institutions within a three-year onsite schedule, but not at the expense of protecting depositors and policyholders at individual institutions through elevated regulatory intervention when heightened risk is identified.

In 2018/19 the performance measure was achieved. As described in the Ministry’s Service Plan, an onsite review acts as a proxy for completion of a supervisory review. In addition, as described in the Plan, in 2018/19 several institutions that had onsite reviews in 2015 have now fallen outside of the three-year supervisory review target (represented by a lowering of the coverage target between 2017/18 and 2018/19).

As part of its transition to Crown agency, FICOM is reviewing its supervisory review measures and targets. The goal of the review is to develop a more sophisticated set of performance measures that capture FICOM’s continuous monitoring activities (outside of onsite), the timeliness of communications with industry, reflect risk based regulatory principles, and respond to international supervisory best practices established by bodies such as the International Monetary Fund.

Objective 3.2: Work together across regulatory functions to effectively deliver on our regulatory mandate

Key Highlights:

- FICOM achieved its regulatory approval timelines in 2018/19 for all financial services sectors including financial institutions, pensions and mortgage brokers.
- Targets for regulatory approvals and registrations are important to ensure that applicants receive a reasonable turnaround (defined by the service standard) on regulatory decisions.
- FICOM continues to enhance its operational efficiency through investments in technology, process improvements and stakeholder communications.

Performance Measure 3: Regulatory Application Timelines

Performance Measure	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
Timelines for statutory approval applications, within established service standards, upon receipt of all required documentation:						
▪ Financial Institutions within <u>published timelines</u>	n/a	80%	80%	Achieved	80%	80%
▪ Mortgage Broker within 14 Calendar Days	n/a	90%	90%	Not Achieved	Under review	90%
▪ Pensions within 90 Calendar Days	n/a	80%	80%	95%	80%	80%

Data Source: Consolidated data across Financial Institutions Division (FID), Pensions and Mortgage Brokers' Information Management System database.

Discussion

Under the various pieces of legislation that it administers, FICOM is responsible for receiving and reviewing regulatory filings from industry, and making recommendations on a wide range of approvals and authorizations. Those approvals and authorizations can range from business authorizations to insurance companies, to registration of mortgage brokers, and registrations or terminations of pension plans.

FICOM has established service standards by business line for regulatory processing and recommendations to decision makers. These standards balance the need for timely and complete decision making that enables industry to do business and at the same time protects the public.

In relation to the mortgage broker program, in 2018/19 a range of factors impacted FICOM's ability to achieve performance targets, including increased transaction volumes, enhanced due diligence on certain applications, and human resource turnover. FICOM is committed to achieving the 90% target in 2021/20, and will implement a range of improvements and monitor the impact of those actions in 2019/20.

Appendix B: Government Communications and Public Engagement

Purpose of the Organization

Government Communications and Public Engagement (GCPE) informs British Columbians about government policies and programs in a timely, relevant and accessible way.

GCPE plays a critical role in helping government achieve its key priorities: 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 provides dedicated communications support to government ministries. Each communications office provides a full range of communications services from communications planning, to media relations, writing and editing.

A central GCPE team provides event services, advertising and marketing, digital services, issues management, writing and editing, corporate planning, media monitoring, and strategic communications support to ministries across government.

GCPE also coordinates direct engagement with citizens, including face-to-face public engagement and websites and social media platforms that enhance the citizen experience within government.

Strategic Direction

The strategic direction set by Government in 2018/19 and expanded upon in the Minister’s [Mandate Letter](#) shaped the [2018/19 Service Plan](#) and the results reported in this Annual Service Plan Report.

The following table highlights the key goals, objectives or strategies that support the key priorities of Government identified in the 2018/19 Ministry of Finance Service Plan:

Government Priorities	Government Communication and Public Engagement Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • Help increase British Columbians’ access to the public services they need.
Delivering the services people count on	<ul style="list-style-type: none"> • Expand government’s reach in communicating with British Columbians via direct (social media) and filtered (media) communications.

Report on Performance

Goals, Objectives, Measures and Targets

Goal 1: Inform and engage British Columbians on government initiatives to connect them more directly to the information and services they need

Objective 1.1: Expand government’s reach in communicating with British Columbians via direct (social media) and filtered (media) communications

Key Highlights:

- The Government of B.C.’s Twitter and Facebook accounts generated 27.8 million impressions and 18.7 million video viewings from April 1, 2018 – March 31, 2019.
- Services provided were through an organic/paid strategy using a combination of various visual content (photos, graphics, animations, videos), carefully crafted social media copy, and news release/article shares.

Performance Measure	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
1.1a Facebook engagement rate ¹	N/A	N/A	16%	N/A	N/A	N/A
1.1b Timely response to media inquiries	85%	83%	97%	81%	97%	97%

Data Source: GCPE

1. Facebook discontinued providing statistics on the rate of engagement.

Discussion

The data used to report out on the engagement rate is no longer available. Therefore, the original 2018/19 – 2020/21 performance measure has been discontinued.

Objective 1.2: Help increase British Columbians’ access to the public services they need

Key Highlights:

- GCPE provided support to the Ministry of Children and Family Development to implement the Affordable Childcare Benefit by conducting user research with parents and service providers, testing content with users and improving readability and mobility of online content by describing the new benefit, helping parents determine their eligibility for the benefit and how to apply for the benefit.

- Working with ministry partners, GCPE facilitated public engagements to help inform government policies and program development.
- GCPE led and developed online and supporting materials on ministers' mandate letters. Corporate initiatives included: climate change (i.e. CleanBC), Electoral Reform and the Legalization of Cannabis.
- Working in collaboration with the Ministry of Citizen Services, improved wayfinding at Service BC offices across the Province with improved signage by developing through research and testing at Service BC locations with staff and citizens.

Performance Measure	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
1.2a Improve web content and search results on gov.bc.ca	N/A	48%	55%	36%	40%	43%

Data Source: GCPE

Discussion

The methodology to determine the measure of Objective 1.2a caused an issue for the users of gov.bc.ca which required a change to how the data was collected. The projected targets for 2020/21 and 2021/22 have been revised in the baseline to reflect the new data collection methodology. The data was collected from server logs supporting gov.bc.ca. The analysis was performed by the product manager for gov.bc.ca with support from subject matter experts on search, technical architecture and log files.

Resource Summary

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Government Communications	27,030	5,822	32,852	32,852	0
Government Digital Experience	8,354	543	8,897	8,897	0
Sub-Total	35,384	6,365	41,749	41,749	0
Other Adjustments of Prior Year Accrual	0		0	0	0
Total	35,384	6,365	41,749	41,749	0

1. "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act. Approved funding from the Contingencies Vote include:
 - \$1,346K Contingency approved for the Clean BC Communication Strategy - Climate Action Plan.
 - \$1,995K Contingency approved for operating costs (including staffing pressures).
 - \$2,481K Contingency approved for Cannabis legalization public awareness Campaign.
 - \$543K Contingency approved for funding the Personalized Digital Services Strategy

Appendix C: Public Sector Employers' Council Secretariat

Purpose of the Organization

Public Sector Employers' Council Secretariat

Total compensation for the provincial public sector's 430,000 employees accounts for about \$30.4 billion annually or equivalent to more than half of the Province's budget. Government must meet its commitment to citizens in providing sustainable public services in balance with fair and affordable compensation for the employees providing them. This balance is achieved through the authority of the [Public Sector Employers Act](#) and the Public Sector Employers' Council both of which fall under the responsibility of the Minister of Finance. The Public Sector Employers' Council Secretariat (PSEC Secretariat) reports to the Minister of Finance as the central agency responsible for supporting government's strategic direction in human resource management and labour relations, including the administration, development and implementation of labour relations policies for the broader provincial public sector. The PSEC Secretariat also supports the Minister of Finance in directing employers to create compensation plans for excluded and executive employees. It also 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. 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 the PSEC Secretariat. CCEA and UPSEA play a coordination and information-sharing role but do not serve as bargaining agents for their member-employers. The BC Public Service Agency, established under the *Public Service Act*, serves as the employers' association for B.C.'s core public service.

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

Strategic Direction

The strategic direction set by Government in 2017 and expanded upon in the Minister’s [Mandate Letter](#) shaped the [2018/19 Service Plan](#) and the results reported in this Annual Service Plan Report.

The following table highlights the key goals, objectives or strategies that support the key priorities of Government identified in the 2018/19 Ministry of Finance Service Plan:

Government Priorities	The Public Sector Employers’ Council Secretariat Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • Union employees working across the provincial public sector covered by settlements reached under the Sustainable Services Negotiating Mandate will receive fair and affordable wage increases that are supporting public sector workers and their families, while also ensuring the cost of public services is carefully managed.
Delivering the services people count on	<ul style="list-style-type: none"> • The Service Improvement Allocation (SIA) under the Sustainable Services Negotiating Mandate provides the opportunity for parties to negotiate this conditional element to create tangible enhancements to service delivery for both parties.
A strong, sustainable economy	<ul style="list-style-type: none"> • By facilitating the centralized provincial public sector bargaining mandate, government can meet its commitment to providing sustainable services the public relies on through affordable agreements that are in keeping with the fiscal plan.

Operating Environment

Currently, there are over 430,000 people in B.C.’s public sector working in the core public service, at Crown corporations and agencies, in health and community social services, K-12 public education, post-secondary, and research universities. Of those people, more than 330,000 are unionized employees covered by approximately 183 collective agreements. The government and provincial public sector employers spend about \$30.4 billion on compensation. This makes up more than half of the Province's budget. An increase of 1% in total compensation for all employees, including union, non-union, and management employees costs approximately \$304 million.

Negotiations under the Sustainable Services Negotiating Mandate began in April 2018 and resulted in early agreements covering more than 55,000 employees working in the public service, community health and community social services. The focus of the mandate is on improving the delivery of services for people in B.C. and balancing the need for fair and reasonable wage increases with outcomes that are affordable and managed within the fiscal plan. These goals are being achieved through collaborative, respectful, outcome-focused negotiations that rely on “give and take” at the bargaining table.

The 2019 mandate applies to all public sector employers with collective agreements that expire on or after December 31, 2018. The elements of the mandate include a three-year term with general wage increases of 2% in each year, plus the ability to negotiate conditional and modest funding that can be used to drive tangible service improvements for British Columbians through the SIA. An example would be targeted funds to address existing, chronic labour market challenges where employers need to meet service delivery commitments or changes that achieve service enhancements such as innovations, modernization or efficiencies.

Appendix D: Public Service Agency

Purpose of the Organization

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 strategic direction set by Government in 2018/19 and expanded upon in the Minister’s [Mandate Letter](#) shaped the 2018/19 [Service Plan](#) and the results reported in this ASPR.

The following table highlights the key goals, objectives or strategies that support the key priorities of Government identified in the 2018/19 Ministry of Finance Service Plan:

Government Priorities	Public Service Agency Aligns with These Priorities By:
Delivering the services people count on	<ul style="list-style-type: none"> • Support the BC Public Service to develop the commitment, capacity and capability in the workforce to meet business needs.
A strong, sustainable economy	<ul style="list-style-type: none"> • Support public service workplaces to be healthy, inclusive and productive.

Operating Environment

The Agency continued to support growth and shifts in the BC Public Service workforce in 2018/19. There are now 30,750 full time equivalent staff in the public service which represents a 5% increase from 2017/18. With a significant increase in retirements the BC Public Service has the second highest turnover rate of any Canadian jurisdiction. The recruitment of younger employees means one-third of employees have been in their current job for less than one year. These changes to the demographic make-up of the BC Public Service and workforce mobility continues to result in increased demand on core human resource services such as recruiting, succession management, and professional development.

At the same time, the Agency is implementing significant new initiatives to support the goals of government and the needs of a modern public service. Following through on Cabinet direction, in 2018/19 the Agency began fully implementing the Diversity and Inclusion Action Plan to help ensure the public service is an inclusive employer that reflects the province it serves. Similarly, the Agency dedicated significant effort and resources to the introduction and implementation of the *Public Interest Disclosure Act* in partnership with the Ministry of Attorney General and the Office of the Ombudsperson.

Report on Performance

Goals, Objectives, Measures and Targets

Goal 1: A Public Service that attracts, enables, develops and retains a highly skilled and professional workforce

Objective 1.1: Support the BC Public Service to develop the commitment, capacity and capability in the workforce to meet business needs

Key Highlights:

- In 2018/19 the Agency supported a 14 per cent increase in hiring activity across the BC Public Service, resulting from continued growth and rising turnover rates.
- The Agency successfully represented government in negotiating a collective agreement with the BCGEU within the provided mandate. The agreement was ratified in August 2018.
- In 2018/19, the Agency focused on building capacity through the training, collection and analysis of succession plans for succession priority (critical) positions. In addition, the Agency developed analytics, workplans and governance to build capacity in specific key work streams (IT, Finance, Policy and Procurement).

Objective 1.2: Support public service workplaces to be healthy, inclusive and productive

Key Highlights:

- The implementation of the Diversity and Inclusion Action Plan saw significant progress in 2018/19, with eight of the 15 actions implemented in the first full year of the three-year action plan. The remaining actions are well underway, as well as the development of a broader Diversity and Inclusion Strategy to further the BC Public Service's progress to becoming a fully inclusive employer.
- Continued to implement specialized health programming that takes a proactive and preventative approach in supporting a healthy and productive workforce and avoiding BC Public Service benefit cost increases due to illness and disability.
- Diversified our occupational health clinical team with professionals focused on supporting employees recovering from physical injuries.
- Piloted specific mental health programming aimed at assisting individuals with depression and supporting individuals post trauma; continued to provide recovery support programming helping individuals achieve sustained recovery.
- Partnered with the Ministry of Forests, Lands, Natural Resource Operations and Rural Development to audit safety practices and confirm continued compliance with ministry Safety Management System requirements and standards outlined by the BC Forest Safety Council.

Performance Measure 1: Absences related to illness and injury days per Full Time Equivalent (FTE)

Performance Measure	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
Absences related to illness & injury days per FTE ¹	9.3 days	9.4 days	9.3 days	9.0 days	9.3 days	9.3 days

Data Source: BC Public Service Agency.

¹ For the purpose of this performance measure, absences refer to short term illness and non-occupational injuries.

Discussion

The BC Public Service recognizes when employees are supported to optimize their health, the workforce improves safety performance, enjoys greater operating efficiency, and better service to the public is provided. However, a workforce with changing demographics and the rising prevalence of chronic disease in the population in general are challenges faced not only by the BC Public Service, but by all employers in B.C.

This measure identifies the number of days lost due to illness and injury. At 9.0 days per FTE, the BC Public Service continues to compare favorably against the Canadian provincial public sector average of 11.7 days and the federal public sector at 12.5 days². The difference reflects our ongoing focus on health promotion and prevention services, at-work supports for employees with illnesses or injuries, and timely rehabilitation and return to work for employees who are off work due to an illness or injury.

An audit of sick leave controls by the Office of the Auditor General in 2018/19 concluded the BC Public Service is effectively applying controls to support employees' appropriate use of the Short-Term Illness and Injury Plan, has systems in place to prevent errors, and provides training and health and wellness supports.

Performance Measures 2 and 3: Workforce utilization

Performance Measures	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
FTE Utilization in the Public Service	27,940	29,291	29,400	30,750	31,350	31,400
Auxiliaries as a percentage of the workforce	7.6%	8.5%	8.0%	9.4%	8.0%	8.0%

Data Source: BC Public Service Agency.

² Data Source: Statistics Canada

Discussion

Full-time equivalent (FTE) staff utilization in core government ministries increased from 29,291 FTEs in 2017/18 to 30,750 FTEs in 2018/19. This was needed to increase staffing for child care and housing investments as well as for front-line service positions including sheriffs, court services staff, staff to deliver social assistance services and conservation officers. The increase in FTEs is also explained in part by new staffing to support activities related to cannabis legalization, enhanced support for workers and employers in matters related to WorkSafeBC, wildfire recovery efforts, land use planning and environmental management.

FTE utilization is projected to increase slightly to 31,350 FTEs in 2019/20 due to the continued hiring of program staff to implement CleanBC programming, Employment Standards and Temporary Foreign Worker Registry Transformation initiatives, mental health services, coast forest sector revitalization, and independent oversight of mining and other professions before stabilizing in 2020/21.

The projected increase in FTEs is also due in part to continued implementation of road safety programs, the Civil Resolution Tribunal, cannabis legalization, commercial vehicle and safety enforcement, and staff to support reconciliation with First Nations.

The hiring of auxiliaries is intended to fill short-term business needs, either for an interim, cyclical or seasonal basis. Monitoring the proportion of auxiliaries in the workforce helps to ensure hiring levels support BC Public Service FTE utilization targets by maintaining an optimal balance between the permanent and temporary components of our workforce. The higher than forecasted percentage of auxiliary hiring was used to provide staff in a timely manner to support the programs mentioned above.

Financial Report

Financial Report Summary Table

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Agency Operations	56,268	0	56,268	56,217	51
Benefits	1	0	1	1	0
Long Term Disability Special Account	66,750	0	66,750	54,846	11,904
Sub-Total	123,019	0	123,019	111,063	11,956
Adjustment of Prior Year Accrual²	0	0	0	(11,450)	(11,450)
Total	0	0	0	(11,450)	(11,450)
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
By Core Business	10	91	101	101	0
Total	10	91	101	101	0

1. "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act.
2. The Adjustment of Prior Year Accrual of \$11,450 million is a reversal of accruals in the previous year.

Appendix E: Other Agencies, Boards, Commissions and Tribunals

Crown Corporations

- 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

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