

# Ministry of Finance

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## 2019/20 Annual Service Plan Report

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## Minister's Statement



This past fiscal year began as one of strength in our province. B.C. had real GDP growth of 2.8 per cent in 2019 compared to the year before, zero operating debt and one of the lowest unemployment rates in the country. In February 2020, we tabled our third balanced budget.

March 2020, however, marked one of the most challenging situations any of us have ever faced with the impact of the COVID-19 pandemic. In just a few short months, the world as we know it changed for the long term. However, B.C. remains an economic leader in Canada and we have a strong fiscal foundation to carry us through the pandemic.

Investing in the people who power our province and a strong and sustainable economy is the path to which our Government has committed. This is founded on the transparent financial management exercised over the past fiscal year and the tax and revenue programs that continue to make life more affordable for all British Columbians.

This year, people in B.C. are benefitting from the largest middle-class tax cut in a generation. As of January 1, 2020, Government also eliminated MSP premiums and effective October 1, 2020, the B.C. Child Opportunity Benefit provides a monthly tax-free payment to families with children under 18 years of age.

We also completed the first full year of the new Speculation and Vacancy tax to help restore housing affordability in B.C. and return empty homes to the market. In addition, Government has taken actions to address money laundering, tax fraud and close loopholes in the real estate market.

The commitments we have made to foster economic growth remain unchanged, despite the reality that our work will need to evolve with the challenges imposed by the pandemic.

I'd like to thank the professional and dedicated staff in the Ministry of Finance whose expertise has been unwavering in serving the people of this province during the pandemic crisis.

The Ministry of Finance *2019/20 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2019/20 – 2021/22 Service Plan* created in February 2019. 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  
July 15, 2020

## Parliamentary Secretary's Statement



Our lives and communities are enriched every day by the many different people and cultures that make up British Columbia. Too many people are directly and deeply affected by barriers because of their gender, race, socioeconomic status, sexual orientation, or (dis)ability. Women and non-binary people often experience multiple, intersecting barriers such as poverty, racism, ableism, homophobia, or transphobia.

Work has been underway across government to advance gender equality throughout B.C by expanding access to childcare, health care, education and training, affordable housing, counselling and crisis support services, as well as support for people facing domestic violence and sexual assault. We are also working to create more opportunities for training and good jobs and encourage more balanced representation in leadership positions.

Most recently, along with the Ministry of Labour, we introduced changes to the Employment Standards Act to provide up to five days of paid leave for employees impacted by domestic or sexual violence. These changes are so important because people who have faced this type of violence need time and space to rebuild their lives – and ensure they and their children are safe.

In addition, *Budget 2020* was the first budget in B.C.'s history to include a formal framework for tax measures that consider intersecting identity factors such as gender, ethnic background, age, education, language and ability. The work behind this is gender-based analysis plus or GBA+.

As of December 31, 2019, more than 9,450 public servants have had training on GBA+. When applied to government work, GBA+ can help us understand how diverse groups of women, men, girls, boys and non-binary people experience public policy in British Columbia.

I am also very grateful for the many community partners, advocates and leaders who are helping drive change and support those who need our help. When all British Columbians can reach their full potential – regardless of their gender, race, class, sexual orientation, or ability – our economy will benefit as communities are stronger, more accessible and better places for everyone.

A handwritten signature in blue ink that reads "M. Dean". The signature is written in a cursive, flowing style.

Honourable Mitzi Dean  
Parliamentary Secretary for Gender Equity  
July 15, 2020

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## Purpose of the Annual Service Plan Report

The Annual Service Plan Report 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.
- 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](#), the [Real Estate Council of BC](#), the [Real Estate Foundation of BC](#), the [BC Financial Services Authority](#), and [BC Infrastructure Benefits](#).

## Strategic Direction

The strategic direction set by Government in 2017 and expanded upon in Minister Carole James's [Mandate Letter](#) shaped the 2019/20 Ministry of Finance [Service Plan](#) and the results reported in this Annual Report.

## Operating Environment

The Ministry of Finance has prioritized actions to deliver Government's commitments to the people of British Columbia. These include making life more affordable, improving services that people count on and building a strong, sustainable economy throughout the province. The Ministry is additionally responsible for ensuring Government exercises prudent fiscal and financial management.

Effective management of the Province's fiscal plan includes ensuring the Province's tax system is fair, that taxpayers see value in the services delivered, and that new initiatives support the priorities of Government. Strong financial management includes ensuring effective controls exist across government, that the province's banking system is efficient, and that crowns have appropriate and effective governance frameworks. An innovative project where the Ministry supported making life more affordable in 2019/20 was the implementation of a public registry of beneficial owners of B.C. property.

British Columbia's economy was strong in 2019 with real GDP growth of 2.8 per cent compared to the year before. Labour market conditions in B.C. remained tight, highlighted by the lowest unemployment rate in the country at 4.7 per cent, unchanged in rank and level since 2018. Employment increased by 2.6 per cent. Average weekly wages grew by 2.5 per cent, registering a second consecutive year of positive real wage growth, with the annual consumer price index up by 2.3 per cent. B.C. retail sales increased by 0.6 per cent in 2019, a more moderate pace compared to that of 2.0 per cent in 2018, as consumer spending was weighed down by more cautious overall consumer behaviour and declines in housing-related spending amid falling home sales year-over-year. Meanwhile, residential construction remained strong. Although the forestry sector faced significant challenges in 2019, LNG development provided some support for economic growth and job creation in the Province. On the external front, global trade policy uncertainty, escalating trade tensions and commodity price declines weighed on B.C.'s export sector in 2019.

Despite uncertainty surrounding the scale of the impact of COVID-19, the Province remains on a strong and stable fiscal footing. The work of the Ministry will continue to evolve to respond to the challenges imposed by the pandemic.

## Report on Performance: Goals, Objectives, Measures and Targets

### Goal 1: A strong and sustainable economy

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

### Objective 1.1: Effective management of government's fiscal plan

#### Key Highlights

- The Province's fiscal plan, including the fiscal results for 2019/20, are impacted by the unprecedented COVID-19 pandemic. The Ministry of Finance will revise Budget 2020's economic and fiscal forecasts to reflect the most up-to-date information about the impact of the pandemic whenever possible.
- As part of Government's response to the COVID-19 pandemic, Government provided business property tax relief for the 2020 calendar year. This resulted in almost \$180 million lower revenue than anticipated in the Third Quarterly Report forecast in 2019/20. These measures were part of the suite of initiatives announced by Government to protect the health and safety of British Columbians, to provide immediate relief to individuals and businesses, and to build a plan for economic recovery in partnership with the business community.
- The Province's consolidated results were also impacted by ICBC's increased net loss, which was primarily a result of the impairment of the corporation's equity investments at March 31, 2020.
- Successfully completed the Province's \$6.9 billion borrowing program for 2019/20, including \$1.2 billion of pre-borrowing to take advantage of attractive funding opportunities and mitigate market risks posed by the virus outbreak.
- Managed and forecasted cashflows into and out of the consolidated revenue fund in the amount of over \$100 billion dollars. Also managed the Province's central deposit program of \$2.2 billion which represents deposits from the public sector and are used to minimize borrowing by the Province.
- Planned and participated in an extensive investor relations program led by the Minister of Finance with tours in North American financial centers and through Washington State and California.
- About 95 per cent of the more than 330,000 employees had settlements reached under the Province's Sustainable Services Negotiating Mandate.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
1.1a Balanced budget (\$ millions)	\$1,535 surplus	\$274 surplus	\$321 deficit	\$287 surplus	\$585 surplus

Data source: British Columbia Budget and Fiscal Plan.

## Discussion of Results

The [2019/20 Public Accounts](#) were released in August, 2020.

The targets set for 2020/21 and 2021/22 are reflective of the pre-pandemic landscape. They will be updated to account for COVID-19 realities and set in accordance with the amended budget and fiscal plan.

### Objective 1.2: Accountable, efficient and transparent financial management

#### Key Highlights

- Continued with the structured approach to keep Government’s [Core Policy](#) current, relevant and responsive to change.
- Continued to deliver a risk-based data-centric compliance model to strengthen internal controls, build financial capacity, mitigate financial risk and improve program outcomes in Government.
- Continued to deliver the 5-year Strategic Plan for Internal Audit focused on reducing risk in Government and enhancing value for British Columbians. Additionally, implemented an IT Audit Strategy and the approved Audit Plan was substantially completed.
- Consolidated and released financial results for each quarter of fiscal 2019/20 supporting Government’s transparency and accountability to the public.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
1.2a Audit opinion provided by the Office of 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: Release of Public Accounts.

## Discussion of Results

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

## Objective 1.3: Fair and effective revenue, tax and benefit administration

### Key Highlights

- The Ministry has demonstrated its commitment to taxpayers, clients, stakeholders and other jurisdictions to ensure tax and revenue programs are effectively administered, by encouraging voluntary compliance, undertaking compliance and enforcement activities and paying refunds that are owed.
- Continued its outreach efforts and enhanced its citizen-centric public information tools to assist individuals and businesses to fully understand their financial obligations to ensure everyone pays their fair share of taxes.
- Through the completion of the Property Tax Deferral project, the Ministry implemented new technology and process improvements to the tax administration system that foster better engagement with clients, enhance and streamline services, and enable effective compliance and enforcement activities while also consolidating to reduce administration costs.

Performance Measure(s)	2018/19 Baseline <sup>1</sup>	2018/19 Actuals <sup>2</sup>	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
1.3a Percentage of on-time payments	96%	97.75%	Upward trend	97.84%	Upward trend	Upward trend
1.3b Cost to collect one dollar of tax revenue	\$0.0054	\$0.0059	Downward trend	\$0.0054	Downward trend	Downward trend
1.3c Accounts receivable as a percentage of total tax revenue	1.48%	1.43%	Downward trend	3.07%	Downward trend	Downward trend

Data source: Revenue Services Division information systems.

<sup>1</sup> This data was published in the 2019/20 Service Plan as the 2018/19 Actuals and formed the baseline to compare 2019/20 actuals.

<sup>2</sup> New information received after the 2019/20 Service Plan was published has adjusted the 2018/19 Actuals. The Ministry intends to use this as the revised 2018/19 Baseline in future Service Plans and for reporting purposes.

### Discussion of Results

These measures report on the efficacy of the Ministry's revenue management programs. The measures were introduced in the 2018/19 Service Plan with targets being set in 2018/19 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 level of voluntary compliance. The targeted upward trend has been achieved.

The cost to collect revenue measure reflects the cost incurred to collect amounts owed to government under the various taxation statutes. The cost includes efforts at promoting voluntary compliance and undertaking compliance, enforcement and debt collection activities. Information on the cost to collect revenue helps guide decision-making on managing productivity and efficiency.

The accounts receivable (A/R) as a percentage of total tax revenue measure reports on the success of collecting amounts owed to government under the various taxation acts administered by the Ministry of Finance. The total A/R reported includes both current but unpaid, and overdue balances. These amounts may be billed by the Ministry, identified on tax returns submitted by individuals and businesses, or identified through audit and compliance activities. The implementation of the COVID-19 Action Plan – specifically the deferral of the PST payment due date until September 30 – has increased the A/R reported this fiscal due to a portion tax returns being submitted without the accompanying payment (payment is not due until September 30).

**Goal 2: Making life more affordable**

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

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

**Key Highlights**

- Continued work on Government’s [Homes for B.C.: a 30-Point Plan for Housing](#).
- Stabilized demand by implementing measures such as the speculation tax, increasing and expanding the foreign buyers’ tax and closing tax loopholes.
- Completed 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 Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
2.1a Residential sales-to-new listing ratio <sup>1</sup>	53%	Ratio between 40% and 60%	54%	Ratio between 40% and 60%	Ratio between 40% and 60%

Data source: Haver Analytics/Canadian Real Estate Association.

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

**Discussion of Results**

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 residential sales-to-new-listing ratio in B.C. was 54 per cent in 2019, within the target range of 40 per cent to 60 per cent. The average sale price of residential properties in B.C. decreased modestly in 2019 compared to the previous year, down 1.6 per cent.

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.

## Objective 2.2: A fair and progressive tax system

### Key Highlights

- Supported Government’s commitment to a strong and innovative economy through progressive tax initiatives, including the elimination of Medical Service Plan (MSP) premiums, effective January 1, 2020.
- Introduced a new 20.5 per cent personal income tax rate on the top 1 per cent of income earners in the Province.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
2.2a Provincial ranking of corporate income tax rates	3 <sup>rd</sup> Lowest	Remain in lowest four	4 <sup>th</sup> Lowest	Remain in lowest four	Remain in lowest four
2.2b Provincial ranking of personal income tax rates for bottom bracket	2 <sup>nd</sup> Lowest	Remain in lowest two	2 <sup>nd</sup> Lowest	Remain in lowest two	Remain in lowest two
2.2c Provincial ranking of personal income tax rates for second lowest bracket	Lowest	Remain in lowest two	Lowest	Remain in lowest two	Remain in lowest two

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

### Discussion of Results

The measure of the provincial ranking of corporate income tax rates compares the general corporate income tax rate in British Columbia, 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, 2020, British Columbia was tied for the fourth lowest corporate income tax rate among provinces in Canada.

The two measures of the provincial ranking of personal income tax rates compare British Columbia’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 British Columbia.

In 2019/20, British Columbia met or exceeded the performance targets, providing fair and competitive income tax rates for businesses, individuals and families.

## Financial Report

### Financial Summary

	Estimated	Other Authorizations <sup>1</sup>	Total Estimated	Actual	Variance
<b>Operating Expenses (\$000)</b>					
Treasury Board Staff	7,073	0	7,073	6,888	(185)
Office of the Comptroller General	21,702	0	21,702	26,215	4,513
Treasury	1	0	1	0	(1)
Revenue Division	179,108	2,775	181,883	181,226	(657)
Policy and Legislation	7,694	3,000	10,694	10,544	(150)
Public Sector Employers' Council Secretariat	16,852	0	16,852	16,790	(62)
Crown Agencies and Board Resourcing Office	1,556	0	1,556	1,575	19
Executive and Support Services	31,341	384	31,725	28,248	(3,477)
Financial Administration Act	0	385,735	385,735	385,735	0
Housing Priority Initiatives Special Account	488,771	99,875	588,646	588,646	0
Insurance and Risk Management Account	4,562	0	4,562	0	(4,562)
Provincial Home Acquisition Wind Up Special Account	10	0	10	0	(10)
<b>Sub-total</b>	<b>758,670</b>	<b>491,769</b>	<b>1,250,439</b>	<b>1,245,868</b>	<b>(4,572)</b>
Teachers' Pension Plan Prior Year Accrual <sup>2</sup>	0	0	0	(63,984)	(63,984)
Insurance and Risk Management Account Prior Year Accrual <sup>2</sup>	0	0	0	(32,099)	(32,099)
Provincial Home Acquisition Wind Up Special Account Prior Year Accrual <sup>2</sup>	0	0	0	(43)	(43)
Other Adjustments of Prior Year Accrual <sup>2</sup>	0	0	0	(412)	(412)
<b>Total</b>	<b>758,670</b>	<b>491,769</b>	<b>1,250,439</b>	<b>1,149,337</b>	<b>(101,103)</b>

Ministry of Finance

<b>Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)</b>					
<b>Executive and Support Services<sup>3</sup></b>	547	0	547	265	(282)
<b>Total</b>	<b>547</b>	<b>0</b>	<b>547</b>	<b>265</b>	<b>(282)</b>
<b>Other Financing Transactions (\$000)</b>					
<b>Reconstruction Loan Portfolio (Homeowner Protection Act Loan Program)</b>					
Receipts	(2,500)	0	(2,500)	(2,054)	446
Disbursements	10	0	10	0	(10)
<b>Net Cash Requirement (Source)</b>	<b>(2,490)</b>	<b>0</b>	<b>(2,490)</b>	<b>(2,054)</b>	<b>436</b>
<b>Student Aid BC Loan Program</b>					
Receipts	(115,000)	0	(115,000)	(150,090)	(35,090)
Disbursements	230,000	0	230,000	204,083	(25,917)
<b>Net Cash Requirement (Source)</b>	<b>115,000</b>	<b>0</b>	<b>115,000</b>	<b>53,993</b>	<b>(61,007)</b>
<b>International Fuel Tax Agreement (Motor Fuel Tax Act)</b>					
Receipts	(14,500)	0	(14,500)	(15,991)	(1,491)
Disbursements	3,000	1,905	4,905	4,905	0
<b>Net Cash Requirement (Source)</b>	<b>(11,500)</b>	<b>1,905</b>	<b>(9,595)</b>	<b>(11,086)</b>	<b>(1,491)</b>
<b>Land Tax Deferment Act</b>					
Receipts	(77,000)	0	(77,000)	(73,992)	3,008
Disbursements	240,000	46,342	286,342	286,342	0
<b>Net Cash Requirement (Source)</b>	<b>163,000</b>	<b>46,342</b>	<b>209,342</b>	<b>212,350</b>	<b>3,008</b>
<b>Improvement District Loans (Local Government Act)</b>					
Receipts	(1,600)	0	(1,600)	(1,300)	300
Disbursements	1,500	250	1,750	1,750	0
<b>Net Cash Requirement (Source)</b>	<b>(100)</b>	<b>250</b>	<b>150</b>	<b>450</b>	<b>300</b>
<b>Total Receipts</b>	<b>(210,600)</b>	<b>0</b>	<b>(210,600)</b>	<b>(243,427)</b>	<b>(32,827)</b>
<b>Total Disbursements</b>	<b>474,510</b>	<b>48,497</b>	<b>523,007</b>	<b>497,080</b>	<b>(25,927)</b>
<b>Total Net Cash Requirement (Source)</b>	<b>263,910</b>	<b>48,497</b>	<b>312,407</b>	<b>253,653</b>	<b>(58,754)</b>

<sup>1</sup>“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. In 2019/20, other authorizations included:

- Statutory appropriation under section 26(2) of the *Financial Administration Act* for costs related to funding provided to reflect ministry allocation for ratified collective agreements, as of March 31, 2020, under the

- Sustainable Services Negotiating Mandate (\$385.735 million);
- Approved funding from the Contingencies Vote (\$6.159 million) consisting of \$2.775 million for the BC Student Loans bad debt provision, \$3.000 million for the establishment of the Financial Institutions Commission as a Crown Agency, and \$0.384 million for the establishment of the Community Benefits Office; and
- Statutory appropriation under section 9.7(3) of the *Special Accounts Appropriation and Control Act* to fund housing and shelter programs through the Ministry of Social Development and Poverty Reduction (\$39.490 million) and to fund residential care room and board subsidies through the Ministry of Health (\$113.875 million), less reprofiling of grants provided through BC Housing to reflect changes to timing of housing projects (\$48.000 million).
- Statutory appropriation under section 18(2) of the *Motor Fuel Tax Act* to reimburse International Fuel Tax Agreement; under section 15(1) of the *Land Tax Deferral Act* to reimburse the municipalities for tax deferred; and under section 37(1) of the *Local Government Act* to transfer the provincial tax money.

<sup>2</sup> The Adjustment of Prior Year Accrual of \$96.538 million is a reversal of accruals in the previous year.

<sup>3</sup> Capital budget is used to purchase assets on a needs basis.

## **Appendix A: 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, improve 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 events services, corporate planning, advertising and marketing, digital services, issues management, writing and editing, media monitoring, and strategic communications support to ministries across Government. GCPE also coordinates direct engagement with citizens through ongoing dialogue concerning the development and design of key initiatives.

### **Key Highlights**

- In 2019/20 GCPE communications focused on ensuring the people of British Columbia had information on programs and services that benefit them, as well as information they need to keep safe.
- The Renters Rights campaign provided important updates on policy changes and expanded benefits to seniors and families.
- Parents were informed about eligibility and requirements under the Affordable Childcare Benefit.
- The Clean BC campaign provided information to British Columbians about several programs, such as rebates for electric vehicles and home retrofits.
- Campaigns on wildfire prevention, overdose crisis anti-stigma, cannabis, anti-vaping and sexual violence prevention keep B.C.'s communities safe.
- GCPE expanded translation of materials to include the following languages: Arabic, Chinese, French, Hindi, Japanese, Korean, Persian, Punjabi, Spanish Tagalog, Urdu and Vietnamese to ensure news releases and other information reaches the diverse population of British Columbia.

## Financial Summary

(\$m)	2018/19 Actual	2019/20 Budget	2019/20 Actual <sup>1</sup>
<b>Revenues</b>	0,000	0,000	0,000
<b>Expenses</b>	32,852	33,702	33,432 <sup>2</sup>
<b>Net Income</b>	<b>(32,852)</b>	<b>(33,702)</b>	<b>(33,432)</b>

<sup>1</sup> Responsibility for the Government Digital Experience core business (sub-vote) transferred to the Ministry of Citizen Services (CITZ) in 2019/20. The reporting for that program is included in the 2019/20 CITZ ASPR.

<sup>2</sup> The 2019/20 Actual includes Supplementary Estimates, Statutory Appropriations and Contingencies of \$4,552m. This amount is 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.

## Appendix B: Public Sector Employers' Council Secretariat

### Purpose of the Organization

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](#) (the 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 plans<sup>11</sup>, 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.

The focus of the mandate is on improving the delivery of services for people in British Columbia 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.

### Employers' Associations

The Act establishes six employers' associations to carry out strategic direction of Government which includes 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](#):

- [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

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<sup>1</sup> 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](#)

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.

### **Key Highlights**

- Negotiations under the Sustainable Services Negotiating Mandate began in April 2018 and currently more than 95 per cent of unionized employees working in K-12 public education, research universities, colleges, institutes and teacher universities, the public service, community social services, health and Crown corporations are now covered by tentative or ratified agreements.
- 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.
- 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. 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.

## Appendix C: 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.

### Key Highlights

- In 2019/20, the Agency continued to support the sustained demand for recruitment, development and succession management in a workforce that has grown significantly in recent years. There are now 31,776 full-time equivalent staff in the BC Public Service, which represents an increase of 19.1 per cent over the past five years. This demand reflects both an increase in the size of the public service to support vital services to British Columbians and the impact of ongoing retirements and new recruitment. This turnover not only creates demand on hiring services, but also on other human resource services needed to support onboarding, and employee and leadership development.
- In addition to sustaining core human resource services, the Agency continued to deliver priority initiatives such as the implementation of the Diversity and Inclusion Action Plan. As a result of that work, the public service continues its progress to becoming a more diverse and inclusive employer.
- The Agency also led the implementation of the Public Interest Disclosure Act in December 2019, making the BC Public Service the first employer to implement this landmark legislation.
- As the 2019/20 year concluded, the Agency provided leadership in enabling the BC Public Service’s response to the COVID-19 pandemic as an employer to ensure ministries were able to maintain service to the public while also ensuring the health and safety of employees.

### Financial Summary

(\$m)	2018/19 Actual	2019/20 Budget	2019/20 Actual
<b>Revenues</b>	0,000	0,000	0,000
<b>Expenses</b>	111,063	152,533	134,654
<b>Net Income</b>	<b>(99,613)</b>	<b>(152,533)</b>	<b>(134,803)<sup>1</sup></b>

<sup>1</sup> The 2019/20 Actual includes Supplementary Estimates, Statutory Appropriations and Contingencies of \$27,198m. This amount is 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 and includes the *Long Term Disability Special Account*.

## Appendix D: Other Agencies, Boards, Commissions and Tribunals

As of March 31, 2020, the Minister of Finance is responsible and accountable for the following:

### Crown Corporations

- BC Securities Commission: [www.bcsc.bc.ca](http://www.bcsc.bc.ca)
- Partnerships BC: [www.partnershipsbc.ca](http://www.partnershipsbc.ca)
- Real Estate Council of BC: [www.recbc.ca](http://www.recbc.ca)
- BC Financial Services Authority: [www.bcfsa.ca](http://www.bcfsa.ca)
- BC Infrastructure Benefits: [www.bcib.ca](http://www.bcib.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](http://www.bcimc.com)
- BC Pension Corporation: [www.pensionsbc.ca](http://www.pensionsbc.ca)
- Credit Union Deposit Insurance Corporation: [www.cudicbc.ca](http://www.cudicbc.ca)
- Financial Institutions Commission: [www.fic.gov.bc.ca](http://www.fic.gov.bc.ca)
- Government House: [www.ltgov.bc.ca](http://www.ltgov.bc.ca)
- Insurance Council of BC: [www.insurancecouncilofbc.com](http://www.insurancecouncilofbc.com)
- Office of the Superintendent of Real Estate ([OSRE](#))
- Real Estate Foundation of BC: [www.refbc.com](http://www.refbc.com)