

MINISTRY OF FINANCE

TRANSITION BINDER

October 2020

CONFIDENTIAL



MINISTRY OF FINANCE

TRANSITION BRIEFING MATERIAL – October 2020

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MINISTRY OF FINANCE

Ministry:

The Ministry of Finance provides the fiscal, financial and regulatory services that contribute to the physical and mental health, and economic and environmental wellbeing of B.C. and its citizens. The Ministry is committed to providing Treasury Board and Cabinet with advice that contributes to well-informed funding, taxation, borrowing and investment decisions. The Ministry is also leading the implementation of the Gender Based Analysis Plus across government which is helping ensure that new and existing programs are accessible and effective for all British Columbians.

Ministry Mandate:

The Ministry of Finance plays a key role in establishing, implementing and reviewing government's economic, fiscal, financial management and taxation policies. The Ministry is responsible for delivering fair, efficient and effective tax administration, and revenue and treasury management that fund government programs, services and infrastructure essential to citizens in B.C.

More specifically the Ministry is responsible for:

- Government's economic forecasting, fiscal planning, budgeting and reporting;
- Coordination of cross-government action on gender issues, including gender-based violence and gender equity;
- Banking, accounting, and risk and debt management services for government;
- Leadership of key public sector governance, accountability and social responsibility initiatives;
- Oversight of financial, procurement and administrative governance for the broader public service (ministries, crown agencies and the schools, universities, colleges and hospitals (SUCH) sector);
- Internal audit and consulting services to B.C.'s ministries and Crown corporations;
- Policy development with respect to provincial taxes and for specific sectors including financial, corporate and real estate sectors in B.C.;
- Supporting public infrastructure projects developed through the Community Benefits agreement; and
- Regulation of the financial services and real estate sectors, and administration of the B.C. credit union deposit insurance fund.

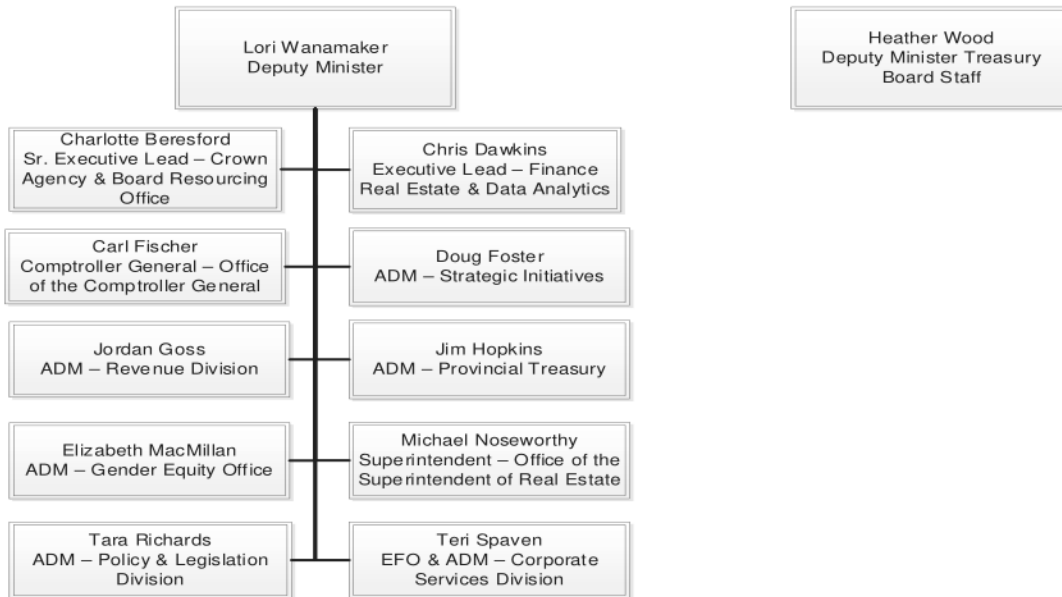
The Minister of Finance is accountable for the BC Public Service Agency, Government Communications and Public Engagement, Public Sector Employers' Council, BC Financial Services Authority, BC Infrastructure Benefits, BC Securities Commission, Infrastructure BC, and the Real Estate Council of BC.

Budget:

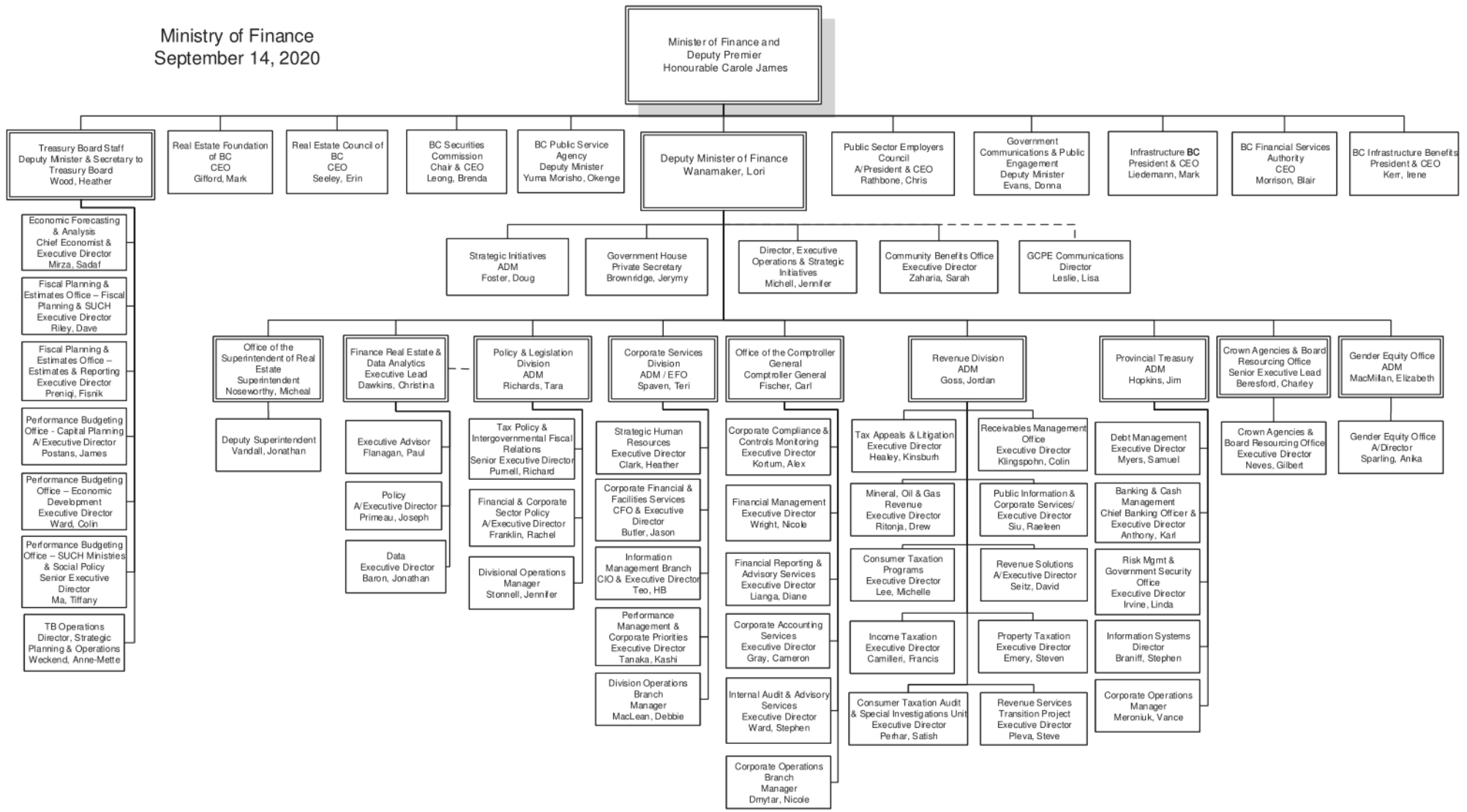
Core Business Area	2019/20 Restated Budget ¹	2020/21 Estimate	2021/22 Plan	2022/23 Plan
Operating Expenses (\$000)				
Treasury Board Staff	7,073	6,847	6,855	6,855
Office of the Comptroller General	21,702	21,636	21,799	21,799
Treasury	1	1	1	1
Revenue Division	179,108	183,088	177,674	177,674
Policy and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

Full Time Equivalents (FTEs): 1,304.1 FTEs as of September 26, 2020

Executive Organizational Chart:



Ministry of Finance
September 14, 2020



EXECUTIVE MEMBER BIOGRAPHY
Lori Wanamaker, Deputy Minister of Finance

Lori Wanamaker, FCA, FCPA, was appointed Deputy Minister, Finance, on July 18, 2017.

A long-time public servant, Lori came to Finance from the Ministry of Children and Family Development, where she was the Deputy Minister. In this role, Lori had responsibility for child protection, services for children and youth with mental health or special needs, childcare programs, and developing strategies to address the over-representation of aboriginal children and youth in care.

From 2010 to 2016, Lori was the Deputy Minister of Justice and the Deputy Solicitor General with responsibility for corrections, policing, victims' services, road safety, liquor, gaming and justice reform. She also served as the Chair for the BC Justice and Public Safety Council.

Prior

to this appointment, Lori was:

- Deputy Minister of Tourism, Culture and the Arts, and Chief Executive Officer for Tourism BC (2009-2010);
- Deputy Minister of Labour and Citizens' Services (2006-2009), with responsibility for government's shared services, including accommodation and real estate, workplace technology, purchasing and procurement, Service BC, and the Office of the Chief Information Officer; and
- Associate Deputy Minister of Housing (2005-2006), with accountability for housing and homelessness policy and programs, building and safety policy, and residential tenancy.

Lori's career with the Province of British Columbia began in 1990 at the Office of the Auditor General. She subsequently held several senior positions within the Ministry of Municipal Affairs (1993-2001), including her appointment to Assistant Deputy Minister of Corporate Services in 1998. From 2001-2005, Lori served as an Assistant Deputy Minister for several different portfolios within the Ministry of Community, Aboriginal and Women's Services.

In June 2014, Lori was awarded the *Lieutenant Governor's Silver Medal for Excellence in Public Administration*. She was also selected as one of *Canada's Most Powerful Women: Top 100* in 2013. The Institute of Chartered Accountants of British Columbia honoured Lori by bestowing a Fellowship upon her in 2011. This FCA designation recognizes the service that she has provided to the profession and distinction in her career.

Prior to joining the BC public service, Lori worked at a public accounting firm in Winnipeg, Manitoba.



Personal Information

EXECUTIVE MEMBER BIOGRAPHY
Doug Foster, Assistant Deputy Minister, Strategic Initiatives

Doug Foster has been a member of the public service since 1975 and has held various senior and executive positions with the Ministry of Finance since 1985. Doug joined the Deputy Minister's Office in 2004, and was appointed Assistant Deputy Minister, Strategic Initiatives in 2012.

As ADM, Strategic Initiatives, Doug responds to major proposals, projects and initiatives with consideration of the economic and fiscal priorities of government. This includes resolving complex financial and business problems and structuring frameworks, options and strategies to help ensure government remains within stated fiscal targets and other strategic objectives. Doug engages with executives across the public sector and private sectors, and works closely with staff across ministries, central agencies and Crown corporations.

His work impacts initiatives such as natural resource strategies; major investments in BC and other strategic priorities; major project fiscal management; fiscal and economic strategies with First Nations; public sector collective bargaining strategies; public sector budget management; organizational restructuring and program reviews; and improving performance measurement, risk management and accountabilities within various provincial public sector contractual arrangements.

Some examples of key major projects of focus to the Ministry and this strategic initiatives resource include the 2010 Winter Olympic Games; the TransLink Canada Line; transitioning to and from the HST; major natural gas and LNG development; BC Hydro's Site C dam; mines and forestry sector distress strategies; fiscal recovery and sustainability of ICBC; and COVID -19 recovery strategies for the transportation sector.

Doug is a member of the ministry executive and provides coaching and mentorship to senior staff across the public sector. He is also supported by a background that includes is a Chartered Professional Accountant/CGA and bachelor's degree in Commerce and Economics from the University of Victoria.



EXECUTIVE MEMBER BIOGRAPHY

Teri Spaven, Assistant Deputy Minister, Corporate Services

Teri Spaven was appointed Assistant Deputy Minister, Corporate Services Division, and Executive Financial Officer on April 30, 2018. In this role, Teri is responsible for providing leadership and direction in the provision of financial and administrative services, strategic human resources, information management and systems, risk management, performance planning, and communications.

With over 30 years of public service experience Teri has been fortunate to work in various ministries where she has held senior roles with significant responsibilities. Previously, Teri was the Executive Director, Client Services for the Ministries of Attorney General/Public Safety and Solicitor General, and the Chief Financial Officer for the Ministry of Citizens' Services.

Teri is a chartered professional accountant (CPA, CMA).



EXECUTIVE MEMBER BIOGRAPHY

Charley Beresford, Executive Lead, Crown Agencies & Board Resourcing Office

Charley Beresford is the Senior Executive Lead for the Crown Agencies and Board Resourcing Office, Ministry of Finance, which provides oversight of Crown governance and corporate accountability and oversees the recruitment and recommendation of candidates for appointments to BC's public sector organizations. Prior to this, Charley was Executive Director of the Columbia Institute, an independent public policy organization with four research streams: Green economy, public finance, local economy and governance.

Charley served on Victoria School Board from 1996 through 2008 and serving two terms as Chair. Over her career, Charley has been Director/Chair and/or staff with various non-governmental organizations including the Green Economy Network, SPARC BC, BC Recreation and Parks Association, Big Sisters, The Canadian Mental Health Association, and the Therapeutic Riding Association of BC. Charley was previously Director of Agencies, Boards and Commissions in the BC Ministry of Finance.



EXECUTIVE MEMBER BIOGRAPHY
Elizabeth MacMillan, Assistant Deputy Minister, Gender Equity Office

Elizabeth was appointed the Assistant Deputy Minister of the Gender Equity Office at the Ministry of Finance in September 2020.

Her first position with the British Columbia Public Service was as a research officer in the Forest Service working on the Chief Forester's timber supply review; then as a Land Use Planning Advisor, Manager of Executive Operations, and Deputy Director of the Wildlife Branch all within the Ministry of Environment, Lands and Parks.

Following these assignments, she was asked to provide policy advice to the Deputy Minister's Committee on Natural Resources from the Premier's Office. Subsequently she was appointed Deputy Cabinet Secretary and Assistant Deputy Minister leading Cabinet Operations and serving three Premiers and five Deputy Ministers to the Premier.



In early 2019, Elizabeth joined the executive of the Transportation Investment Corporation to integrate the Community Benefits Agreement into the procurement of Corporation's first three major projects. She holds a BSc in geography and economics from the University of Victoria.

EXECUTIVE MEMBER BIOGRAPHY

The Honourable Janet Austin, 30th Lieutenant Governor of British Columbia

The Honourable Janet Austin, 30th Lieutenant Governor of British Columbia was appointed on April 24, 2018. Prior to this appointment, Her Honour spent 15 years as Chief Executive Officer of YWCA Metro Vancouver, one of the province's largest and most diversified non-profits. There she oversaw operations delivering services to tens of thousands of people annually at more than 40 locations.

Under Her Honour's leadership, the reach and scope of services offered by the YWCA increased significantly and flourished under the social enterprise model she championed. Using solutions-oriented and collaborative advocacy, she positioned the YWCA as a leading voice on women's equality. She fostered relationships with non-profits, business communities and all levels of government to contribute to policy changes at the federal and provincial levels to improve the lives of women, children and families.

Her Honour has actively volunteered for many organizations in commitment to helping improve the lives of others. She has served on the boards of TransLink, the Greater Vancouver Board of Trade, the Canadian Paediatric Society, the Council for Early Child Development, the Women's Health Research Institute, MOSAIC and the Dr. Peter AIDS Foundation. She has been a longtime volunteer with United Way of the Lower Mainland and has served on the BC Provincial Advisory Council on Social Entrepreneurship, the City of Vancouver Healthy City for All Leadership Council and the Organizing Committee for the National Retreat for Women.

Her Honour is Chancellor of the Order of British Columbia and was invested as a Member of the Order in 2016. She holds an Honorary Doctorate of Laws from Kwantlen Polytechnic University. Raised in Calgary, Alberta, Her Honour is a graduate of English from the University of Calgary. She spent her early career in public sector roles in Calgary, working in regional planning and public consultation and communications for the Alberta government. She eventually moved to British Columbia, where she began working with BC Housing and discovered her passion and aptitude for public office. Prior to joining the YWCA, Her Honour served as Executive Director of Big Sisters of BC Lower Mainland.



EXECUTIVE MEMBER BIOGRAPHY

Jerymy Brownridge, Private Secretary & Executive Director, Government House

Jerymy Brownridge was appointed Private Secretary to the Lieutenant Governor and Executive Director of Government House in December of 2015. Prior to this, he was Director of Operations and Deputy Private Secretary at Government House where he served The Honourable Steven Point and The Honourable Judith Guichon.

Immediately before coming to Government House, Mr. Brownridge worked for the United Kingdom's Foreign and Commonwealth Office at the British Embassy in Beijing. Mr. Brownridge started his career in international finance, largely in investment and infrastructure development with a China and broader Asia focus.

Jerymy speaks fluent Mandarin and has a Bachelor of Arts in Political Science. **Personal Information**

Personal Information



EXECUTIVE MEMBER BIOGRAPHY
Carl Fischer CPA, CGA, Comptroller General

Carl Fischer has been the Comptroller General since December 1, 2016. He is a Certified Professional Accountant with over 30 years of experience in government financial management, policy and accounting. For the last 20 years Carl has worked within the Office of the Comptroller General. His primary responsibility is preparing the Public Accounts of British Columbia, government's annual financial accountability report to the public.

As Comptroller General, Carl has responsibility for administering the financial policies and practices of government, financial reporting, compliance and audit, and the corporate financial system. Carl also leads the Province's engagement with standard setting bodies and comptrollers across Canada.

Notable responsibilities undertaken during his tenure in OCG include leading the implementation of full GAAP financial reporting as required by the introduction of the Budget Transparency and Accountability Act, transitioning Crown agencies to a common basis of accounting consistent with government accounting policy, and representing the Province through the evolution of a national public sector accounting standard under the Public Sector Accounting Board of Canada.

Carl has acted as a pension board trustee since 2006 and represents the Province as a Director on the BC Pension Corporation board of directors.



EXECUTIVE MEMBER BIOGRAPHY
Micheal Noseworthy, Superintendent of Real Estate

The Superintendent of Real Estate is the public official responsible for leading the regulation of the real estate industry in British Columbia. As Superintendent, Micheal Noseworthy leads the office responsible for providing oversight and regulation of the province's real estate industry. Under the Real Estate Services Act, the Real Estate Development Marketing Act, and the Strata Property Act, the Office of the Superintendent of Real Estate exercises statutory jurisdiction, takes enforcement action against misconduct, and provides regulatory oversight to the Real Estate Council of BC.

Mr. Noseworthy has extensive experience as a regulator and public sector leader, previously serving as a senior government regulator for Yukon. Before taking on his current role, Mr. Noseworthy most recently served as Yukon's Superintendent of Real Estate, Superintendent of Insurance, Registrar of Lotteries, and Registrar of Medical Practitioners. Prior to that role, he served as Yukon's Director of Residential Tenancies and Employment Standards, and was awarded the Premier's Award of Excellence for his work as part of the team that developed Yukon's first-ever Housing Action Plan. A lawyer by profession, he also previously worked in Newfoundland and Labrador in a private practice that included real estate and administrative law. He received both his law degree and a Bachelor of Arts in political science from Dalhousie University in Halifax.



EXECUTIVE MEMBER BIOGRAPHY

Tara Richards, Assistant Deputy Minister, Policy & Legislation Division

Tara was appointed Assistant Deputy Minister, Policy & Legislation Division effective September 3, 2019.

Previously, Tara was Interim CEO of FICOM from August 2016 to September 2019, where she was involved in leading the finance, human resources, information technology, service planning and stakeholder relations accountabilities while preparing the organization for transition to the BC Financial Services Association (BCFSA), a Crown corporation established in November 2019. Prior to this, she was the Assistant Deputy Minister, Corporate Services and EFO in the Ministry of Finance from July 2014 to February 2018, with responsibility for corporate financial and facilities services, strategic human resources, information management and performance management and corporate priorities.

Tara has over 25 years experience in the BC Public Service and has held progressive roles in various ministries in the areas of policy and legislation, operations, intergovernmental relations, and planning and corporate support services.

Tara has a Master's Degree in Public Administration as well as an undergraduate degree in Political Science from the University of Victoria.



EXECUTIVE MEMBER BIOGRAPHY

Christina Dawkins, Executive Lead, Finance Real Estate & Data Analysis Unit, Policy & Legislation Division

Chris has been the Executive Lead, Finance Real Estate and Data Analysis Unit (FREDA) with the Policy and Legislation Division since September 3, 2019. FREDA works on the Ministry's anti-money laundering initiatives and on expanding the Ministry's data analysis capacity.

Chris joined the BC Public Service in December 1999. She has spent her public service career in the division. Before joining FREDA, she held a position as Acting ADM of the Policy and Legislation division. She has also worked as the Executive Director of the Financial and Corporate Sector Policy Branch and the Executive Director responsible for developing Liquefied Natural Gas Income Tax legislation. Chris started her career in the Tax Policy Branch, spending over a dozen years there with an interlude in the (now reconfigured) Intergovernmental Fiscal Relations Branch.

Chris holds a PhD in Economics from Warwick University in the UK and a master's degree in Economics from the University of Western Ontario.

Before embarking on a public service career in BC, Chris worked on economic development projects with researchers from Vietnam and other countries and as an economics lecturer in Istanbul, Turkey.



EXECUTIVE MEMBER BIOGRAPHY
Jim Hopkins, Assistant Deputy Minister, Provincial Treasury

Jim Hopkins graduated from the University of Victoria with an undergraduate degree in Political Science and History in 1976 and did post-graduate work in public administration.

In 1979, Jim joined the Ministry of Finance. He has held positions as research analyst in economic policy and planning, executive assistant to the deputy minister, and director of policy in the government's purchasing commission.

In 1987, Jim joined the Debt Management Branch, Provincial Treasury. In February 2002 he was appointed Executive Director of the Debt Management Branch.

In April 2004, Jim was appointed Assistant Deputy Minister of Provincial Treasury, responsible for banking and cash management for government, debt management, and risk management and insurance for the provincial public sector.



EXECUTIVE MEMBER BIOGRAPHY
Jordan Goss, Assistant Deputy Minister, Revenue Division

Jordan Goss was appointed Assistant Deputy Minister, Revenue Division, Ministry of Finance in April 2018. The Revenue Division is responsible for the administration of the province's tax and revenue programs.

Jordan has over 26 years of experience in the BC Public Service, 18 of which has been in the Ministry of Finance.

She first joined the Ministry of Provincial Revenue (now Revenue Division) in 2002 and although the majority of her time in the Ministry of Finance has been with the Revenue Division, Jordan spent 4 years in the Tax Policy Branch where she was responsible for the consumption tax portfolio.

Throughout her time in the Ministry of Finance, Jordan has provided leadership to major tax implementation and administration projects including the harmonized sales tax (HST) and related provincial tax programs, the provincial sales tax (PST), the speculation and vacancy tax, the employer health tax and the BC Emergency Benefit for Workers. Jordan was the recipient of the Premier's Award in Leadership in 2014, in part, for her work in leading the re-implementation of the PST.



Jordan has a strong commitment to providing leadership to the division to achieve results and provide excellent customer service while maintaining the integrity of the tax and revenue programs within B.C.

Jordan holds a Bachelor of Science in Economics from the University of Victoria, a Master of Arts in Economics from Queens and a Master of Public Administration degree from the University of Victoria.

Personal Information

EXECUTIVE MEMBER BIOGRAPHY**Heather Wood, Deputy Minister & Secretary to Treasury Board, Treasury Board Staff**

Heather Wood joined the BC Public Service in 2011 as an Assistant Deputy Minister in Finance. Heather was appointed Associate Deputy Minister, Treasury Board Staff in March, 2018 and subsequently appointed as Deputy Minister and Secretary to Treasury Board in June, 2020.

Prior to this, Heather was an Assistant Deputy Minister in the Ministry of Finance with the Province of Manitoba for more than three years, with responsibility for the Taxation, Economic and Intergovernmental Fiscal Research Division.

Heather joined the Manitoba Civil Service in 1997 as a research assistant while completing a joint Master's Degree in Public Administration at the University of Manitoba and the University of Winnipeg. She accepted a permanent position in the Manitoba Civil Service in 1999 as a management intern, working in a number of ministries over the course of the three-year program, including Health, Finance and Justice.

Heather then accepted a position as a Senior Policy Analyst in the Federal-Provincial Relations Secretariat, which was responsible for the development and coordination of Manitoba's federal-provincial and international relations strategies.

After secretly hoping to one day join the ranks of the wise persons in Manitoba Finance, Heather exchanged positions with a colleague in Finance in 2005. She was then offered positions as a Manager and Executive Director, before competing for the position of Assistant Deputy Minister in 2007.

Heather has been active in the past in the Institute of Public Administration of Canada, serving as the regional chair of the Manitoba Group, regional representative to the national Board of Directors, and Vice-President and Treasurer of the national Board.



**Ministry of
Finance**

**2020/21 – 2022/23
SERVICE PLAN**

February 2020



Minister Accountability Statement



The *Ministry of Finance 2020/21 - 2022/23 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

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

A handwritten signature in cursive script that reads "Carole James".

Honourable Carole James
Minister of Finance
February 18, 2020

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Purpose of the Ministry

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

- Developing forecasts of the provincial economy; developing and monitoring government's capital plan and three-year fiscal plan; and managing significant risks and opportunities relating to the plan.
- Policy development with respect to provincial taxes.
- Oversight for government's financial, procurement and administrative governance as well as banking, corporate accounting, insurance, risk and debt management services.
- Performance and financial management audits of ministry, agency and Crown corporation programs and functions to help improve efficiency and ensure governance, management and control systems are operating effectively.
- Policy development for financial services, capital markets, pension plans, mortgage broker sectors, real estate services and societies.
- Providing policy advice with respect to federal-provincial fiscal arrangements and developments and the stewardship of the Canada Pension Plan.
- Identifying and collecting amounts owed to the government in relation to statutes the ministry directly administers, as well as statutes administered by other ministries.
- Oversight of governance, corporate accountability and appointments to all Crown corporations, agencies, boards and commissions.
- Coordinate cross-government action on gender issues, including gender-based violence, gender equity and economic and political empowerment.
- Oversight of strategic coordination of bargaining and labour relations, total compensation planning and human resource management for the broader public sector.
- Providing support to public infrastructure projects that are being developed through Community Benefits Agreements.
- Operation of the Government House and accountability for the BC Securities Commission, the BC Financial Services Authority, BC Infrastructure Benefits, Partnerships BC, and the Real Estate Council of BC.

Strategic Direction

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

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

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

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

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

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

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

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

Performance Planning

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

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

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

The ministry is responsible for achieving government’s goal of balancing the needs and priorities of British Columbians within a balanced fiscal plan. This includes management of government’s fiscal plan, oversight of financial monitoring and reporting, and administration of the province’s tax system.

Objective 1.1: Effective management of government’s fiscal plan

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

Key Strategies:

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

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

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

Linking Performance Measure to Objective:

This measure reflects the ministry’s overall success in implementing, monitoring, and maintaining government’s fiscal plan. The ministry will continue to uphold its commitment to deliver a balanced budget in 2020/21 and in future years.

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

Key Strategies:

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

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

¹ Data Source: Release of *Public Accounts*.

Linking Performance Measure to Objective:

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

Objective 1.3: Responsive, fair and effective revenue, tax and benefit administration

Key Strategies:

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

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

¹ Data Source: Revenue Services Division information systems.

Linking Performance Measure to Objective:

The ministry has three measures that report on the effectiveness of revenue collection programs: percentage of on-time payments, cost to collect tax revenue, and accounts receivable as a percentage of total tax revenue.

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

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

The accounts receivable as a percentage of total revenue measure reports on the success of collecting amounts owed to government and administered by the Ministry of Finance.

Goal 2: Strong, sustainable and innovative economy

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

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

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

Key Strategies:

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

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

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

Linking Performance Measure to Objective:

The corporate income tax measure reflects government’s commitment to maintaining a competitive tax environment that supports a strong and sustainable economy. The measures of the provincial ranking of personal income tax rates provide a comparison of B.C.’s personal income tax rates for the bottom two tax brackets, as of March 31 each year, with those of the other nine provinces.

Objective 2.2: A fair and transparent housing market

Key Strategies:

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

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

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

Linking Performance Measure to Objective:

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

Objective 2.3: Effective oversight of public sector organizations

Key Strategies:

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

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

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

¹ Data Source: Internal Ministry data.

Linking Performance Measure to Objective:

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

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

Key Strategies:

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

Performance Measure:

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

Resource Summary

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

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

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

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

Appendix A: Government Communications and Public Engagement

Purpose of the Organization

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

Strategic Direction

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

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

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

Resource Summary

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

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

Appendix B: BC Public Service Agency

Purpose of the Agency

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

Strategic Direction

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

The Agency supports that work by providing human resources services such as hiring, payroll, labour relations, occupational health and safety, professional development, succession management and employee engagement. In doing so, it helps ensure the BC Public Service continues to have the right talent it needs to do the work of government today and in the future.

The BC Public Service is in the midst of a demographic transition, as long-serving employees retire and are replaced by a new generation of public servants.

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

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

Links to Key Programs and Initiatives

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

Resource Summary

Core Business Area	2019/20 Restated Budget ¹	2020/21 Estimate	2021/22 Plan	2022/23 Plan
Operating Expenses (\$000)				
BC Public Service Agency	56,545	54,381	54,628	54,628
Benefits and Other Employment Costs	1	1	1	1
Long Term Disability Fund Special Account	24,784	26,548	26,548	26,548
Total	81,330	80,930	81,177	81,177
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
BC Public Service Agency	10	10	10	10
Total	10	10	10	10

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

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

Appendix C: Crowns and Other Key Organizations

Crown Corporations

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

Other Key Organizations

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

Ministry of Finance

2020/21 Business Plan

About this Plan

The 2020/21 Ministry Business Plan follows a path that incorporates input from you, the Minister's [mandate letter](#), the 2019/20 [Economic Plan](#), Government's [Strategic Plan: A Stronger BC For Everyone](#), and the BC Public Service Corporate Plan: [Where Ideas Work](#).

The plan starts with the Ministry's vision, mission and the strategic context in which we operate. The bulk of the plan sets out the goals, objectives, key strategies and projects we have for 2020/21.

The final section identifies the core outcomes we are pursuing and the performance measures we will be using to gauge our success.



Deputy Minister's Message

Dear Colleagues,

Our 2020/21 Business Plan for the Ministry of Finance has been revised in response to the COVID-19 pandemic. When planning first started for this document, it was business as usual. Now, as we share a collective new normal, from working at home, to physical distancing, the ministry's work remains the same, our priorities remain the same, yet our focus has expanded. We are now undertaking projects to transform our business in response to the pandemic.

This 2020/21 Business Plan highlights the ministry's overall strategic direction and it continues to identify our core business. Additionally, with the introduction of government's [new Economic Plan](#), our work now takes a new lens. We aim to set goals and objectives to build a roadmap to achieve Government's commitment to building a sustainable economy with more job and business opportunities and increase the standard of living for all British Columbians.

To support this, this business plan identifies three key goals:

- Sound and transparent fiscal management
- A strong, sustainable and innovative economy
- Confidence in public sector organizations

Our fourth goal, "engaged staff and organizational excellence", is in many ways, the most important. These are challenging times for us. As you support the work of the ministry, we will support you. On behalf of the Finance Executive Team, I am confident we can meet the challenges posed by COVID-19. Your continued passion and dedication will allow us to succeed.

Lori

Our Vision

Ministry of Finance—Innovative, Collaborative, Transparent

Our Mission

Trusted partners delivering responsible, consistent and valued financial and fiscal services, leadership and advice

Our Strategic Context

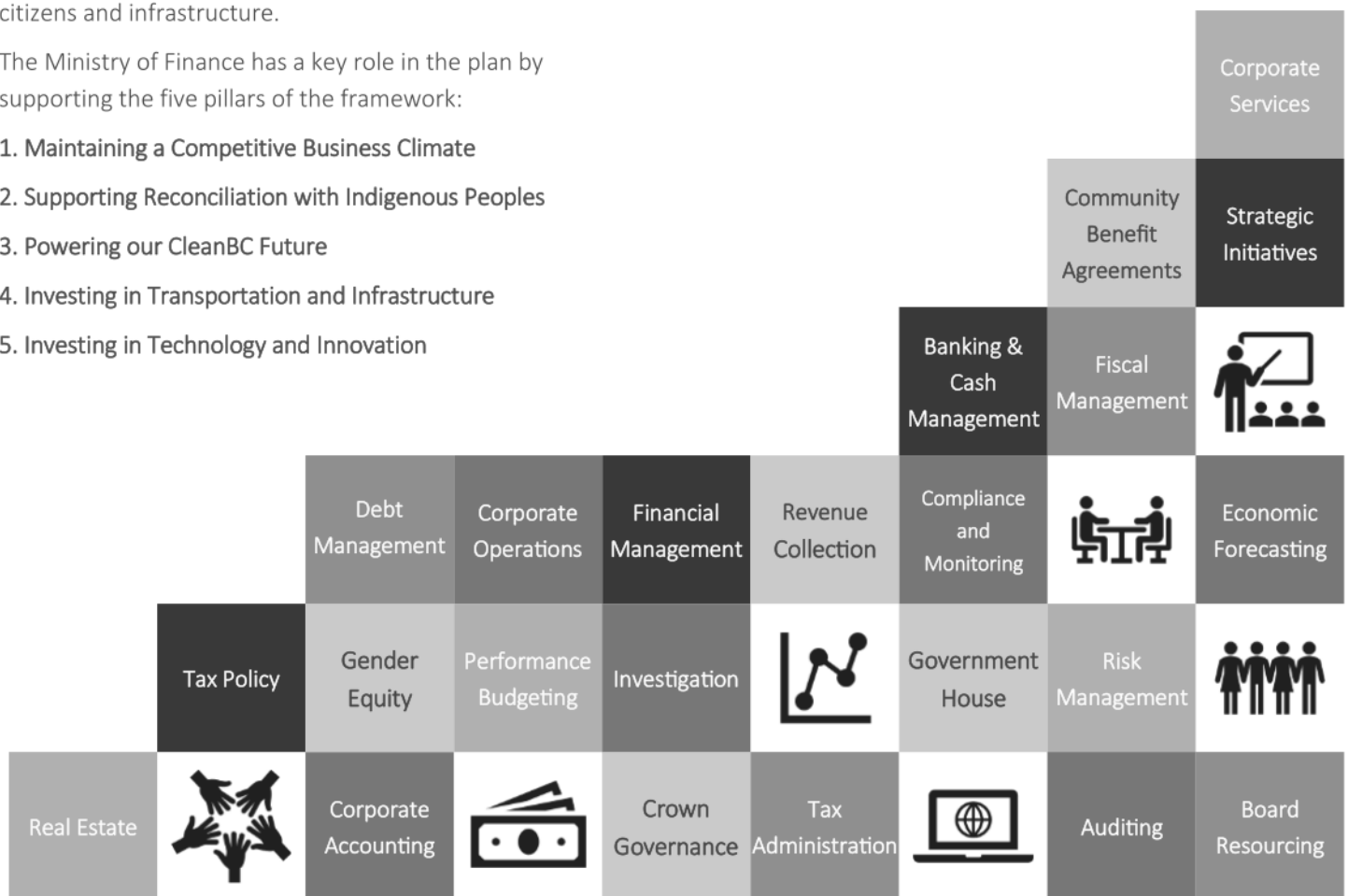
B.C. Economic Plan has the core goal of **Quality Economic Growth**. This means environmentally and fiscally sustainable growth that fits in to the CleanBC climate plan and supplying good jobs in every corner of our province.

The framework emphasizes growth supporting the financial success of our business community, while also raising the standard of living of British Columbians. In this model quality economic growth drives up wages, creating good paying jobs. This in turn, increases revenues to government and allows for further investment in our citizens and infrastructure.

The Ministry of Finance has a key role in the plan by supporting the five pillars of the framework:

1. Maintaining a Competitive Business Climate
2. Supporting Reconciliation with Indigenous Peoples
3. Powering our CleanBC Future
4. Investing in Transportation and Infrastructure
5. Investing in Technology and Innovation

The work of the Ministry of Finance is varied (see below) and touches all sectors, every other ministry, and all crowns, agencies and boards. This puts the ministry in a unique position to be a leader and change agent within the broader public sector. In the coming year the ministry will be asked to provide leadership, guidance and a steady hand to help the province steer through uncertain economic waters.



Goals—Objectives—Strategies—Actions

Goal 1: Sound and transparent management of government finances

Objective 1.1: Effective management of government's fiscal plan

Optimize investment of government financial resources

- Develop government's three-year budget and fiscal plan, including impacts of COVID-19, and manage risks and opportunities related to the plan
- Undertake a review and develop strategies on major fiscal arrangements including federal provincial transfers and local government finances
- Develop and review economic and fiscal policies, particularly in light of COVID-19 impacts on the economy and budget and fiscal plan, providing analysis and recommendations to Treasury Board and government that align with public policy objectives
- Provide support and advice for government about economic recovery in the post-pandemic period
- Manage government's corporate capital plan which includes consideration of funding partnerships with the federal government, First Nations, and the private sector to invest in new capital infrastructure
- Provide ongoing guidance related to COVID-19 impacts on capital projects in planning, procurement and construction
- Review the financial implications of legislative and regulatory changes, in alignment with government priorities

Ensure sound management of ministry resources

- Align budgets and make resourcing decisions based on our priorities, including recognizing changes to priorities as a result of COVID-19, business case assessments and risk analysis
- Comply with statutory requirements and demonstrate commitment to fiscal responsibility

Objective 1.2: Effective management of government's finances

Ensure government minimizes borrowing costs

- Maintain the province's triple-A credit rating
- Ongoing implementation of the Balance Sheet Management/Debt Reduction project to identify cash balances not required by government organizations for ongoing operational and capital needs and use these amounts to minimize borrowing requirements and debt service costs
- Arrange additional \$5 billion in borrowing as part of supplementary estimates in response to COVID-19 pandemic

Integrate corporate governance and financial management

- Continue modernization of banking and cash-management services to support revenue and disbursement programs across government
- Ongoing review of existing operational processes, banking agreements, and risk management and insurance services to ensure these frameworks align with appropriate policies, are effectively managed and resourced and that services meet the expectations of clients
- Establish new governance model for external oversight of Risk Management Branch and Chief Security Office
- Provide critical risk management and security advice to core government and the broader public sector (health, education) to manage COVID-19 related risks in their continued service delivery
- Approve urgent indemnities in the context of COVID-19
- Manage payments for the BC Emergency Benefit for Workers program, reforecast cash requirements and work with revenue programs across government on a case-by-case basis to leverage more modern payment methods and maintain essential services as well as reduce the physical handling of cheques

Goals—Objectives—Strategies—Actions

Goal 1: Sound and transparent management of government finances (continued)

Objective 1.2: Effective management of government's finances (continued)

Support trade and investment in B.C.

- Collaborate with other ministries and the financial community to encourage foreign financial institutions to bring their capital, expertise and international business and trade networks to B.C.
- Support increased trade and investment with B.C. by issuance and promotion of local currency bonds where strategic and cost effective opportunities arise
- Lead investor tours to promote the province as a sound place to invest

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

Support better funding and expenditure decision making

- Monitor, evaluate and report on the effectiveness of internal controls to evaluate performance across government
- Oversee government's financial, procurement and administrative management framework and ensure core policies are effectively administered to ensure efficiency

- Continue to onboard government programs to incorporate revenue solutions to improve efficiency, effectiveness and reporting of revenue
- Conduct statistical compliance monitoring and event-driven financial reporting for COVID-19
- Provide urgent procurement and internal control support for programs including responsive government projects related to COVID-19
- Coordinate cross-government action on gender issues, including gender violence, gender equality and women's economic empowerment
- Work cross-government using GBA+ to understand how the COVID-19 public health emergency and resulting economic impact affects different populations differently based on factors such as: gender, age, race, Indigeneity, health status, geographic location, and socio-economic status, etc.

Deliver highly valued, effective, and timely internal audit reviews and advice

- Develop and fulfill an audit plan that incorporates key risks and governance priorities across the public sector

Finance Run for the Cure Team

Personal Information

Goals—Objectives—Strategies—Actions

Goal 2: A strong, sustainable and innovative economy

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

Provide the most informed economic, fiscal and taxation advice to decision-makers

- Provide advice and policy recommendations in response to emerging needs related to the COVID-19 pandemic
- Continue to provide advice on emerging economic, fiscal and taxation issues with the release of Budget 2020, and continue to include GBA+ in the budget process
- Active and constructive engagement with the federal government and other provincial governments to address important national financial and regulatory issues impacting British Columbians, including coordination of economic and fiscal responses to the COVID-19 pandemic, major fiscal arrangements, Canada Pension Plan, cannabis taxation, carbon pricing and securities regulation

Implement policies to improve affordability for British Columbians

- Support implementation of B.C.'s COVID-19 Action Plan
- Work with ministries to implement mandate letter commitments that have tax obligations for the Ministry of Finance

- Continue to work with the Ministry of Municipal Affairs and Housing to implement affordability measures announced in *Budget 2018*, including the 30-Point Housing Plan

Modernize policy and regulatory frameworks

- Work in collaboration with BCFSa to respond to financial sector impacts of COVID-19
- Continue review of *Financial Institutions Act (FIA)* and *Credit Union Incorporation Act (CUIA)* to update and improve the legislative and regulatory framework to enhance consumer protection and help maintain public confidence in B.C.'s financial institutions
- Continue development of the *Commercial Liens Act* project to implement the Uniform Law Conference of Canada's uniform legislation for liens that secure payment for commercial services provided in relation to goods
- Monitor the framework for securities legislation to ensure it remains robust and relevant
- Continue to recognize the diversity of British Columbians in decision making through the implementation of GBA+ gender equity is reflected in government budgets, policies and programs

Debt Management Branch, Provincial Treasury

Personal Information

Goals—Objectives—Strategies—Actions

Goal 2: A strong, sustainable and innovative economy (continued)

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

Identify and collect amounts owed to government in a fair and respectful manner

- Provide assistance and education to citizens to support them in complying with legislative requirements and ensure program administration is consistent with the provisions of the *Taxpayer Fairness and Service Code*
- Undertake compliance and enforcement activities in administering provincial taxes to identify amounts owing to government
- Complete the implementation of year two of the Speculation Tax and Vacancy Tax to address speculation and stabilize B.C.'s housing market
- Focus on the collection of outstanding Medical Services Plan (MSP) premiums following their elimination on January 1, 2020
- Work with the Ministry of Health to ensure retroactive premium assistance is applied where needed
- Assist client ministries with the management and collection of overdue loans and accounts receivable
- Complete the implementation of the new BC Emergency Benefit for Workers to provide financial relief to citizens affected by COVID-19
- Implement measures announced to provide financial relief to citizens and businesses through the deferral of tax filing and payment deadlines and late property tax payment penalties on specified classes of property

Make it easy for clients and customers to do business with government

- Provide a range of service channels including additional e-service and self-service options to improve customer service and make account management and payment easier
- Align, streamline and simplify policies, procedures and business rules to make compliance easier

Provide efficient and effective revenue management processes to optimize government revenues

- Initiate the second rollout of Phase 4 of the Revenue Transformation Initiative (RTI) to complete the modernization of ministry and government revenue program systems
- Continue work on the Revenue Services Transition project to support the successful repatriation of revenue management and IM/IT services currently managed under contract back into government after the service provider's contract expires
- Work with the Land Title and Survey Authority to receive quarterly reports from developers in the Condo and Strata Assignment Registry to address tax evasion and make B.C.'s real estate market more transparent and fair for citizens
- Explore new technological solutions to improve effectiveness and efficiency of revenue administration

Goals—Objectives—Strategies—Actions

Goal 2: A strong, sustainable and innovative economy (continued)

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

- Strengthen consumer protection in B.C.'s real estate market through effective regulation of real estate licensees as well as oversight of unlicensed real estate activity
- Work with BC Statistics to enhance the collection and publication of real estate market data
- Work with the federal government to address concerns regarding money laundering, illegal flows of money and tax evasion in the real estate sector
- Consider recommendations of the expert panel on money laundering in the real estate sector

- Mitigate the adverse impacts of COVID-19 on the marketing of multi-unit residential housing to support the supply of affordable housing while continuing to protect the rights of real estate consumers

Review B.C.'s real estate regulatory structure

- Consider and address recommendations in the *Real Estate Regulatory Structure Review Report* and the *Expert Panel on Money Laundering in BC Real Estate Report* including consolidation of real estate regulation into a single regulator, the BC Financial Services Authority.
- Implement initiatives to streamline regulation and modernize policies

Pink Shirt Day with Treasury Board Staff

Personal Information

Goals—Objectives—Strategies—Actions

Goal 2: A strong, sustainable and innovative economy (continued)

Objective 2.4: Public confidence in B.C.'s financial sector

- Reported by BC Financial Services Authority a Crown corporation (previously FICOM)

Objective 2.5: Maximizing community benefits on public infrastructure projects

Ensure training, job and business opportunities for community

- Continue to work closely with BCIB to ensure objectives of the Community Benefits Framework (CBF) are being delivered through Community Benefits Agreement (CBA) projects
- BCIB has developed an internal Exposure Control Plan (ECP) and Work Procedures for SARS-CoV-2 (Corona Virus) and COVID-19, and evaluation tools for the ECPs of project contractors
- Develop Performance Management and Reporting Framework in collaboration with policy ministries and in consultation with capital ministries to establish baseline rates and targets to begin collection of data for performance measures on community benefits
- Continue work with industry and other Capital ministries on the inclusion of community benefits on public infrastructure projects via Procurement and Contract Terms
- Work with Ministry of Advanced Education, Skills and Training to finalize a policy to increase apprenticeship opportunities on provincial capital construction projects
- Develop and implement a CBA Criteria Screening Tool to support ministries on the use of CBA on public infrastructure projects
- Develop CBF Policy with the coordination of ministries related to CBF objectives that includes measurable outcomes

The Honourable Janet Austin, OBC, Lieutenant Governor of British Columbia with the Finance Leadership Development Program Members at Government House

Personal Information

Goals—Objectives—Strategies—Actions

Goal 3: Confidence in public sector organizations

Objective 3.1: Government has effective oversight of public sector organizations

Promote fiscal transparency, efficiency, accountability and diversity across the public sector

- Provide policy and advice to ensure public sector organizations are fiscally transparent and adhere to accountability standards within a principled governance framework
- Build and maintain a strong corporate governance capacity in the broader public sector by providing tools, education and professional development opportunities
- Support government's commitment to diversity and inclusion by developing recruitment strategies that focus on increasing and measuring board participation from visible minorities, people with disabilities, women, Indigenous people and the LGBTQ2S+ community
- Administrate guidelines for all provincial appointments to boards which facilitate an open, transparent and merit-based process resulting in effective public sector organization boards that reflect the diversity of B.C.

Finance Branch Heads meeting on Zoom

Personal Information

Goals—Objectives—Strategies—Actions

Goal 4: Engaged staff and organizational excellence

Objective 4.1: Attract, develop and retain employees

Build our internal capacity

- Implement an employee-focused ministry workforce plan aligning HR activities corporately and across the ministry
- Review and build on new employee orientation and onboarding to ensure ministry business objectives and values are communicated consistently and in a timely way
- Embed succession management across the ministry to build internal capacity and deliver business results
- Build on the launch of the ministry's learning strategy FINLearn to provide learning and development opportunities that support diversity, inclusion, cultural sensitivity, professional development, succession planning and business needs of the ministry
- Review and analyze division and branch Work Environment Survey (WES) results and develop action plans that help build employee engagement

Improve our competitiveness

- Build and maintain an innovative, collaborative, transparent and inclusive culture that ensures the ministry is a “ministry of choice”
- Create cultural awareness, competence and culturally safe workplaces, including embedding Indigenous competencies in recruitment practices, creating learning opportunities for staff to gain cultural competencies and encourage culturally safe practices in all ministry work units
- Recruit new talent through work-integrated learning opportunities (i.e. co-ops, internships, work experience), WorkAble, and Indigenous Youth Interns

Objective 4.2: Enable our business through tools and technology

Support and encourage business innovation that enhances the employee experience

- Leverage technology to give employees more flexibility in how and where they work
- Implement the principles of Leading Workplace Strategies to support business, optimize space, leverage technology and support flexible and mobile work for employees
- In conjunction with the OCIO, roll out new collaboration and communication tools to support employees who are working remotely (availability of Microsoft Teams to all employees)
- Provide IT support for the launch and delivery of the BC Emergency Benefit for Workers program

Support and encourage service innovation that simplifies, modernizes and streamlines the citizen experience

- Support and encourage citizen participation
- Provide modern financial and revenue systems to enable staff to deliver services digitally to citizens
- Continue to support continuous improvement initiatives in order to streamline processes, reduce administrative burden and improve response times and client service

Connecting Goals to Outcomes and Performance

Goals	Outcomes	Performance Measures / Targets
Sound and transparent management of government finances	<ul style="list-style-type: none"> Sustainable budgets that position government to meet intended program outcomes 	<ul style="list-style-type: none"> Government meets targets set in Fiscal Plan
	<ul style="list-style-type: none"> Prudent financial management reputation 	<ul style="list-style-type: none"> Maintain triple-A credit rating
	<ul style="list-style-type: none"> Government resources are optimally utilized 	<ul style="list-style-type: none"> Maintain Central Deposit Program holdings at \$1.5B-\$2.0B subject to public sector cash needs and market conditions
	<ul style="list-style-type: none"> Increased international trade, investment and commerce in B.C. 	<ul style="list-style-type: none"> Promote B.C. as a sound place to invest through investor relations tours and trade missions
	<ul style="list-style-type: none"> Government financial risks are known and mitigated 	<ul style="list-style-type: none"> Phase 4 Financial Management Framework Review complete with dashboard template for Treasury Board
A strong, sustainable and innovative economy	<ul style="list-style-type: none"> Improved public sector management 	<ul style="list-style-type: none"> Timely completion of audit projects
	<ul style="list-style-type: none"> Citizens and taxpayers understand and pay their financial obligations 	<ul style="list-style-type: none"> Percentage of on-time payments (target > 96.0%)
	<ul style="list-style-type: none"> Compliance and enforcement efforts are productive and efficient to ensure revenue owing is received 	<ul style="list-style-type: none"> Cost to collect one dollar of tax revenue (target < \$0.0054)
	<ul style="list-style-type: none"> Government revenues are optimized 	<ul style="list-style-type: none"> Accounts receivable as a percentage of total tax revenue (target < 1.48%)
	<ul style="list-style-type: none"> Clients and citizens receive efficient and effective service 	<ul style="list-style-type: none"> Progress on Revenue Transformation Initiative
	<ul style="list-style-type: none"> Consumers receive full information and adequate deposit protection from real estate developers 	<ul style="list-style-type: none"> Real estate development and strata rental disclosures are reviewed within 20 business days (target 90%)
Confidence in public sector organizations	<ul style="list-style-type: none"> Regulatory frameworks are efficient and effective 	<ul style="list-style-type: none"> Progress on reviews and implementation of legislation
	<ul style="list-style-type: none"> Community benefits on public infrastructure projects are maximized 	<ul style="list-style-type: none"> To be determined
	<ul style="list-style-type: none"> Public sector boards reflect the diversity of B.C. 	<ul style="list-style-type: none"> Percentage of women appointed by the Province to agencies, boards and commissions (target a minimum of 50%)
Engaged staff and organizational excellence	<ul style="list-style-type: none"> Employees are engaged and productive and take pride in producing high quality work 	<ul style="list-style-type: none"> 100% of work units complete Work Environment Survey result analysis and develop action plans
	<ul style="list-style-type: none"> Employees are aware of and understand the principles of diversity & inclusion, Gender Based Analysis Plus (GBA+), and Indigenous relations and reconciliation 	<ul style="list-style-type: none"> >80% employees complete the foundational workshops Building Capacity in Indigenous Relations and Introduction to GBA+
	<ul style="list-style-type: none"> Ministry provides a healthy and safe work environment 	<ul style="list-style-type: none"> Increased staff awareness about hazard and incident reporting compared to the 2017 OSH survey results
	<ul style="list-style-type: none"> Ministry demonstrates excellent financial management 	<ul style="list-style-type: none"> Balance ministry budget and achieve financial targets

30/60/90 DAY DECISIONS

Ministry of Finance

Corporate Issues

30/60/90	Issue	Division Resp
30	Crown, Health Authority & Post-Secondary Mandate Letters process for Fiscal Year 2021-22	CABRO
30	Process and Format for 2021/22 - 2023/24 Ministry & Crown Service Plans	CABRO
30	Ports Competitiveness Initiative	PLD
30	COVID-19 OIC extension to allow for corporate electronic meetings under MO-116 and MO-138	PLD
30-60	Cabinet Confidences; Advice/Recommendations	SI
30-60	BC Ferries Safe Restart Contribution Advice/Recommendations	SI
60	Site C Project & Independent Review	SI
60-90	Ministerial Approval of Status of Women Federal-Provincial-Territorial Documents	GEO
90	Cabinet Confidences; Advice/Recommendations	PLD

Ministry Issues

30/60/90	Issue	Division Resp
30	<i>Speculation & Vacancy Tax Act</i> Mayor's consultation	PLD
30	Federal consultations on income security measures	PLD
30	Cabinet Confidences; Intergovernmental Communications	PLD
30	Advice/Recommendations	PLD
30	Advice/Recommendations	PLD
30	Intergovernmental Communications	PLD
30	Federal-provincial collaboration around COVID-19	PLD
30	Process to finalize Budget 2020 tax measures	PLD
30	Insurance Council Urgent Rule Amendment	PLD
30	<i>Land Owner Transparency Act</i> - Communication of Reporting Requirement to Existing Owners	PLD
30	Ongoing Negotiations over Major Federal-Provincial Transfers	PLD
30	Advice/Recommendations	PLD
30	Advice/Recommendations	PLD

30	Advice/Recommendations	PLD
30	Advice/Recommendations	PLD
30	Federal/Provincial Reciprocal Tax Agreement Extension	PLD
30	Strata Property Insurance & Release of BCFSAs Review of Strata Insurance Market	PLD
30	Cabinet Confidences	PLD
30	Cabinet Confidences; Advice/Recommendations	PLD
30	Home Owner Grant (HOG) Centralization	RD
30	Cabinet Confidences	TBS
30	Economic Forecast Council Meeting	TBS
30	Cabinet Confidences	TBS
30	PartnershipsBC Name Change	TBS
30	Second Quarterly Report	TBS
30-60	BC Securities Commission Rules	PLD
60	Cabinet Confidences; Intergovernmental Communications	PLD
60	Cabinet Confidences; Advice/Recommendations	PLD
60	<i>StrongerBC</i> Increased Employment Incentive	PLD
60	<i>StrongerBC</i> PST Rebate on Select Machinery & Equipment	PLD
60	Municipal & Regional District Tax applications	PLD
60	OneFSR Organization Structure & Compensation	PLD
60	Cabinet Confidences; Advice/Recommendations	PLD
60	Advice/Recommendations	PLD
60	Advice/Recommendations; Intergovernmental Communications; Government Financial Information	RD
60	Advice/Recommendations	SI
90	Advice/Recommendations	PLD
90	Cabinet Confidences; Advice/Recommendations	PLD
90	Cabinet Confidences; Advice/Recommendations	PLD
90	Advice/Recommendations; Government Financial Information	PLD
90	PST Regulation Change Consequential to Canada-United States-Mexico Agreement	PLD
90	Intergovernmental Communications	PLD
90	Cabinet Confidences	PT
90	Cabinet Confidences; Government Financial Information	PT
90	Coastal GasLink Business Information; Intergovernmental Communications; Government Financial Information	PT

30/60/90 DAY DECISION NOTE

Issue:

- Determine process to develop, review and approve Crown, Health Authority and Post-Secondary Institution Mandate Letters for fiscal year 2021-22.
- **Requires a decision within 30 days**

Background:

- Ministers responsible for Crown Corporations, Health Authorities and Post-Secondary Institutions (Crowns) issue these entities annual mandate letters to set clear expectations and establish alignment between government priorities, public policy objectives and the work of the organizations.
- Since the mid-2000s, mandate letters (previously "Shareholder's Letters of Expectation", and then "General Letters of Expectation") for Crowns have been approved by Cabinet – a policy decision intended to further strengthen the accountability of these organizations to government.
- The Crown Agencies and Board Resourcing Office (CABRO) manages the Crown mandate letter process and works with Cabinet Operations to have proposed priorities for each Crown reviewed by Cabinet Committees.
- The mandate letter process is typically initiated at least six months prior to Budget Day, so that the development and approval of mandate letter priorities coincides with the Budget approval process and drafting of Crown service plans, ensuring that mandate letter priorities reflect and are reflected in these annual planning documents.
- The materials required for the mandate letter process are approved by the Minister of Finance and include:
 1. **Process instructions and timelines** for development, review and approval of priorities for each Crown and agency. (Developed by CABRO in collaboration with Cabinet Operations and the Deputy Minister of Finance's Office.)
 2. A **Cabinet Committee submission template** designed to support Ministries to consistently explain and rationalize proposed priorities for inclusion in each entity's mandate letter. (Developed by CABRO in collaboration with Cabinet Operations.)
 3. **Standardized core language** outlining government priorities and expectations relevant to all Crowns and agencies and including a placeholder for the individual priorities to eventually be inserted. (Developed by CABRO in collaboration with the Policy and Coordination Office.)
- Since 2018, CABRO has coordinated a process by which Cabinet Committee submissions drafted by Ministries responsible have undergone three reviews before being signed by Ministers and submitted to Cabinet Operations for review by Cabinet Committees:
 1. **CABRO** – to ensure process/format is followed and intent of each section in the Cabinet Submission is fulfilled,
 2. **TBS** – to ensure fiscal impacts are appropriately stated, and that there are no implied commitments for which funding is not approved, and
 3. **Central DM Committee** – to ensure cross-governmental priorities and issues are taken into consideration.

- Development and review of Cabinet Committee submissions for 2021-22 Crown mandate letters began in August 2020 and were halted when the interregnum period began on September 25, 2020.

Decision required:

- Determine whether to proceed with the previously approved 2021-22 Crown, Health Authority and Post-Secondary Institution Mandate Letter process and whether changes are required to the previously approved Cabinet Committee Submission Template.
- **This is a 30 day issue**

30/60/90 DAY DECISION NOTE

Issue:

- Determine process and format for 2021/22 – 2023/24 Ministry and Crown Service Plans.
- **Requires a decision within 30 days**

Background:

- The *Budget Transparency and Accountability Act* (BTAA) requires that Service Plans for Ministries and Crown agencies be made public on the date when the Main Estimates are presented to the Legislative Assembly. By convention, on Budget Day, the Minister of Finance tables Ministry and Crown Service Plans on behalf of all Ministers Responsible, along with other Budget documents.
- For Budget 2019/20, a new approach was implemented for Ministry Service Plans to make them more strategic and concise by aligning content with government's overarching priorities and priorities outlined in Minister Mandate Letters. Crown Service Plans also require a demonstration of alignment with government's overarching priorities but content in these documents tends to be broader in scope – reflecting the variation in the business of B.C.'s Crowns.
- The Crown Agencies and Board Resourcing Office (CABRO) manages the Ministry and Crown service planning process and works with:
 - Treasury Board staff and Queen's Printer staff to set timelines for the development, reviews, approvals, and printing of Service Plans to ensure they are ready to be tabled on Budget Day.
 - Treasury Board staff to review performance related content for accuracy, consistency and readability, and ensure financial content included within is consistent with that presented in the Estimates.
- The Deputy Minister of Finance typically initiates the service planning process approximately four months prior to Budget Day by distributing the year's updated templates, guidelines, and timelines for development and review to all Deputy Ministers.

Decision required:

- Determine whether to continue with the current approach to service planning including templates and guidelines consistent with those used since Budget 2019/20.
- **This is a 30 day issue**

30/60/90 DAY DECISION NOTE

Issue:

- Ports Competitiveness Initiative
- The Minister of Finance must:
 - Inform the Minister responsible for the *Assessment Act* if there are new properties to designate for prescribed land valuations under that act. (a 30-day issue for that minister)
 - Decide whether to renew the schedule for designations under the *Ports Property Tax Act*.
- **This is a 30 day issue.**

Background:

- Under the Ports Competitiveness Initiative certain port properties receive favourable property tax treatment (low tax rate caps and reduced property valuations).
- Typically, two regulations are required annually, before December 31, for the Ports Competitiveness Initiative.
- Policy direction for both comes from the Minister of Finance.
- The minister responsible for the *Assessment Act* must prescribe land values for designated ports each year. This is a statutory requirement. The Minister of Finance must advise if there are new folios for that minister to designate.
- New designations under the *Assessment Act* are required if there is a change in folio number for ports properties currently benefiting from the program. Folio numbers are updated occasionally, and BC Assessment informs the Ministry of Finance of any changes in the Fall.
- The Minister of Finance may also wish to amend the existing regulation under the *Ports Property Tax Act* to include a new property. Two ports properties have requested to be added to the program this year.

Decision required:

- The Minister of Finance will receive a briefing note on whether any new folio designations are required and a decision note on the ports properties that have requested to be added to the program.
- **This is a 30 day issue.**

30/60/90 DAY DECISION NOTE

Issue:

- COVID-19 OIC extension to allow for corporate electronic meetings under MO-116 and MO-138.
- **This requires a decision in 30 days.**

Background:

- The ability for corporations (i.e., companies, societies, cooperative associations, and credit unions) to host meetings in-person has been impacted as a result of the COVID-19 pandemic.
- The legal frameworks for these corporations limit them from having fully electronic meetings (i.e., virtual or telephone meetings).
 - For example, the relevant statutes require that meetings take place “in BC,” and that meeting notices specify the “location” of the meeting.
 - These types of limitations apply to annual general meetings and also to other types of meetings under the statutes, such as creditor meetings.
- To ensure corporations can continue to meet during this period, two emergency Ministerial Orders were issued in April to allow them to meet electronically despite anything in their own articles/bylaws/rules or the relevant statutes. The Orders also set out special requirements for electronic meetings (e.g., that notices for electronic meetings instruct invitees on how to participate).
 - MO-116 applies to companies, societies, and cooperative associations.
 - MO-138 applies to credit unions.
- Under the *COVID-19 Related Measures Act*, these Orders will be in effect for 90 days after the current state of emergency ends. However, the act allows the LGIC to extend the Orders, with the latest possible date for repeal of the Orders being July 10, 2021. Any extension must be done before the Orders expire.
- Stakeholders and corporations have provided positive feedback about the use of fully electronic meetings during the state of emergency. Corporations are also supportive of statutory amendments that would permanently give them the flexibility to host electronic meetings, unless their articles/bylaws/rules state otherwise. The potential benefits of electronic meetings include more inclusivity and greater participation. Increased flexibility also allows corporations to choose a meeting format that is most appropriate for their needs and can therefore reduce regulatory burden.^{Advice/Recommendations}

Advice/Recommendations

Advice/Recommendations

Decision required:

Advice/Recommendations

- **This is a 30 day issue.**



30/60/90 DAY DECISION NOTE

Issue:
Cabinet Confidences; Advice/Recommendations

Background:

InBC – Strategic Investment Fund

- BC Economic Recovery Plan (Recovery Plan) contemplates the following:
 - Provincial funding has helped foster an exciting set of companies in BC. But too many find themselves unable to scale up successfully. Others are bought up by companies from outside BC. When this happens, it means British Columbians don't realize fair value for their investments.
 - A key initiative in addressing this challenge will be establishing BC's own strategic investment fund – InBC – with the mandate to take direct investments in promising ventures. These investments would be complementary to private investment and would be on the same terms as the private investment. Having an additional source of financing will reduce the likelihood that these companies would need to sell out to a larger organization controlled outside BC.
 - The government intends to launch a \$500M strategic investment fund — called InBC fund — to invest in small and medium-sized BC businesses to help them scale up, and to anchor talent, intellectual property, and good jobs in the province. The fund will invest in high growth potential firms, and leverage investments from the private and public sectors, to help businesses scale up. It will be based on a “double bottom line” approach aiming to achieve both a commercial return on investment, as well as advancing important policies that make life better for British Columbians — such as creating jobs and economic growth, advancing reconciliation with Indigenous communities, promoting diversity and inclusion, and achieving CleanBC goals. Investments will also support business confidence and improve supply chains.
 - Investment decisions will be made by an independent Chief Investment Officer.

Cabinet Confidences; Advice/Recommendations

Decision required:

- **Decisions are required within 60 days** Cabinet Confidences; Advice/Recommendations
Cabinet Confidences; Advice/Recommendations

30/60/90 DAY DECISION NOTE

Issue: BC Ferries Federal/Provincial Safe Restart Contribution and Advice/Recommendations
 Advice/Recommendations

Advice/Recommendations

- **This is a 30-60 day issue**

Background:

- BC Ferries was a former Crown corporation, now owned by the BC Ferry Authority (Authority), an independent, no-share capital corporation created under the *Coastal Ferry Act* (the Act) outside the Government Reporting Entity. The Authority is the sole voting shareholder of BC Ferries.
- Legislative changes to the Act in 2019 resulted in the Province now appointing four of the nine members of the Authority instead of two.

COVID – 19 Relief – Federal/Provincial Safe Restart Contribution

- Under the federal 'Safe Restart' program, the federal government agreed to assist provinces with their own restart plans, including assistance for ferry services. The federal government committed to provide to the Province up to \$540 million, conditional on the Province matching federal contributions under a 50/50 cost-sharing arrangement, to be used for transportation operating relief from the effects of COVID-19, including coastal ferry services.
- BC Ferries has experienced significant fiscal impacts since mid-March 2020, due to the COVID-19 pandemic's effect on travel demand. BC Ferries requested support from both the provincial and federal governments to address its near-term forecast net operating financial gap caused by lost revenues and additional COVID-19-related operating costs, and to help ensure that essential ferry services continue and remain affordable to users through pandemic recovery.
- Treasury Board approved that the Province will provide a Contribution of \$308 million to BC Ferries. The Contribution is intended to be used by BC Ferries solely to (i) provide relief from the combined estimated operational and fiscal impacts of COVID-19 during BC Ferries' 2020/21 and 2021/22 fiscal years under a medium-case scenario; (ii) cover BC Ferries' combined estimated revenue losses from limiting average annual public fare increases otherwise charged to 0% in 2020/21 and 2.3% in each of BC Ferries' 2021/22 – 2023/24 fiscal years under a medium-case scenario; and (iii) ensure that Discretionary Sailings continue to be delivered to the end of fiscal year 2023/24. Work to finalize a provincial contribution agreement is currently underway.

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Advice/Recommendations

30/60/90 DAY DECISION NOTE

Issue:

Site C Project and Independent Review

- BC Hydro (BCH) has experienced significant changes over the last 12 months relating to identified cost, schedule, procurement, geotechnical and scope risks, including the impacts of COVID – 19.

Cabinet Confidences; Advice/Recommendations

- **These issues require decisions in 60 days** Cabinet Confidences; Advice/Recommendations

Cabinet Confidences;
Advice/Recommendations

Background:

- Site C is the third dam on Peace River in northeastern British Columbia (BC) and will generate reliable and clean electricity for more than 100 years. At about 10% of BC Hydro's supply, the Site C Project (Project) is designed to provide 5,100 gigawatt hours of electricity each year and 1,100 megawatts of firm capacity; which is enough power for 450,000 homes.

Cabinet Confidences; Advice/Recommendations

- The Project achieved river diversion on October 3, 2020 – a major project milestone despite COVID – 19.

Cabinet Confidences;
Advice/Recommendations

Cabinet Confidences; Advice/Recommendations

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Cabinet Confidences; Advice/Recommendations

- This is a 60 day issue.

30/60/90 DAY DECISION NOTE

Issue:

Ministerial Approval of Status of Women federal-provincial-territorial documents

- The Federal-Provincial-Territorial (FPT) forum of Ministers responsible for the Status of Women are meeting virtually for their annual ministerial meeting in winter 2020/21 (likely early January 2021).
- At the annual ministerial, the co-chairs (Canada and Newfoundland and Labrador) will seek formal approval from FPT Ministers on the following documents: 1) *FPT Ministers Responsible for the Status of Women Strategic Framework and Priorities 2021-2024*; and 2) *National Action Plan to End Gender-Based Violence*.
- **This issue requires 60-90 day decisions.**

Background:

- In 2018, the Parliamentary Secretary for Gender Equity was appointed as British Columbia (BC)'s elected representative, with staff support from the Ministry of Finance's Gender Equity Office (GEO). All jurisdictions have an elected official at the table. Prior to the Parliamentary Secretary's appointment, BC was represented by a Director of Women's and Maternal Health in the Ministry of Health.
- In 2019, BC co-chaired the FPT forum with Canada and hosted the annual ministerial on December 3-4, 2019 in Victoria. BC also hosted a pre-meeting between National Indigenous Leaders and Ministers on December 3, 2019.

Intergovernmental Communications

Intergovernmental Communications



Decision required:

- Does BC formally approve of the 1) FPT Ministers Responsible for the Status of Women Strategic Framework and Priorities 2021-2024; and 2) National Action Plan to End Gender-Based Violence?
Advice/Recommendations; Intergovernmental Communications

- **This issue requires 60-90 day decisions**



30/60/90 DAY DECISION NOTE

Issue:

Cabinet Confidences; Advice/Recommendations

Background:

- The *Securities Act* regulates the buying and selling of securities such as stocks, bonds and other financial instruments and the raising of funds by companies in the capital markets.
- The BC Securities Commission (BCSC) is the regulator that is responsible for the administration of the *Securities Act*.
- In 2019, a large package of amendments to the *Securities Act* was passed. The main focus of the amendments was on measures to strengthen fine collection and enforcement. The amending bill also created a regulatory regime for over the counter derivatives, and modernized and strengthened BC's legislative framework for securities.
- In March 2020, the majority of the amendments were brought into force, Cabinet Confidences; Advice/Recommendations

Cabinet Confidences; Advice/Recommendations

Decision required:

Advice/Recommendations

30/60/90 DAY DECISION NOTE

Issue:

- The *Speculation and Vacancy Tax Act* (SVTA) includes the requirement for the minister to conduct a consultation on the tax with the mayors of effected municipalities before the end of the 2020 calendar year.
- ***This is a 30-day issue.***

Background:

- The Speculation and Vacancy Tax (SVT) is an annual tax based on how property owners use residential properties, the owner's residency status, and where they earn and report their income. The tax applies in major urban areas in B.C. (Capital Regional District, Metro Vancouver Regional District, City of Abbotsford, District of Mission, City of Chilliwack, City of Kelowna, City of West Kelowna, City of Nanaimo and District of Lantzville).
- The tax is on a calendar year cycle and is based on information (e.g. property use and owner's residency status) from the prior calendar year. Approximately 1.6 million registered owners of residential properties are sent a declaration letter in mid-January to mid-February and must declare by March 31. If tax is owed, it is due on the first business day in July.
- Section 141 of the SVTA requires the Minister of Finance to consult annually with the mayors of municipalities subject to the tax. The legislated consultation must take place each calendar year, on or before December 31. The 2020 consultation would be in respect of the 2019 tax year.
- Following each consultation, the minister must lay a report before the Legislative Assembly but there is no legislated timeline for the report. The report from the first tax year was tabled in August (it was delayed due to the legislature not sitting in the Spring).
- The first SVTA consultation was held in person at the Vancouver Convention Centre on September 12, 2019. September was chosen because it allowed time to gather and provide a comprehensive data set and also allowed time to make any changes to the tax for the 2020 tax year.
- The meeting provided an opportunity for municipalities to submit written remarks on the tax and the meeting day consisted of opening remarks by the Minister of Finance, a technical briefing from the Executive Director of Tax Policy followed by QA, speaking time for each mayor and closing remarks.
- Data on the tax was provided for the meeting and released publicly, along with the technical briefing deck. One request from the mayors following last year was that the data is released ahead of time.
- Several legislative changes were implemented as a result of issues discussed at the consultation last year, including exemptions for water access only properties and for military families and simplifying the declaration process for most simple ownership types.

Advice/Recommendations

- The consultation for 2020 was scheduled to take place virtually on September 29. However, because the date fell during the interregnum period following the election call on September 24, it was postponed.
- Invitations for the 2020 consultations were delivered to 39 mayors on September 15 and a subsequent email was sent to each mayor on September 22 from the Deputy Minister of Finance

announcing the postponement. The letter recognized the legislative requirement to consultation, assured that the consultation will take place after interregnum has concluded and stated that new details of the date and format will be sent at that time.

Advice/Recommendations

Decision required:

- A decision is required to select the new date and format for the SVTA mayoral consultation. Ministry staff will provide a briefing note with options for dates and format for the Minister.
- December is the recommended month to consult and the consultation must occur before December 31, 2020 to meet the legislated requirement.
- **This is a 30-day issue.**

30/60/90 DAY DECISION NOTE

Issue:

- Federal consultations on potential reform of Employment Insurance (EI).
- **This is a 30-day issue.**

Background:

- The EI program is a federal program that provides temporary income support to unemployed workers while they look for employment or upgrade their skills. In response to COVID-19, the federal government introduced the Canada Emergency Response Benefit (CERB) as a temporary program to provide income support to Canadian workers who are directly affected by the pandemic.
- The CERB provided \$500 per week for those who are eligible for up to 28 weeks. The benefit period ended on September 26 for people who received benefits since the beginning.
- Officials from B.C.'s Ministry of Finance (FIN) and Ministry of Social Development and Poverty Reduction (SDPR) have been providing analysis and advice to their respective Ministers and to the Premier as well as through interactions with their counterparts in Finance and Employment and Social Development Canada.
- Due to the ongoing pandemic, on August 20, 2020, the federal government announced temporary changes to the EI program and three new income support benefits that will replace the CERB, effective September 27, 2020 for one year. As of that date, 1.18 million B.C. workers have received the CERB benefits.
- The temporary changes to EI are:
 - **Entrance Requirement:** changed from variable to universal entrance requirements using a same unemployment rate threshold
 - **Benefit amount and length:** increased the minimum benefit entitlement to 26 weeks and amount to \$500/week for regular claims; and minimum \$240/week for extended parental benefits
 - **Earnings used to Establish Benefit Amount:** changed from 14 to 22 best weeks of earnings to 14 weeks
- The federal government also committed to freezing the EI premium rates for two years.
- The three new income support programs are:
 - **Canada Recovery Benefit (CRB)** provides \$500/week for up to 26 weeks to workers who are not eligible for EI. These workers are typically self-employed or work in the gig economy. CRB has a 50 per cent claw-back rate for each dollar of annual net income above \$38,000 to a maximum of the amount of benefit received. In comparison, CERB only allows applicants to earn up to \$1,000 every four weeks.
 - **Canada Recovery Sickness Benefit (CRSB)** provides \$500/week for up to two weeks to workers who are unable to work because they are sick or must self-isolate due to COVID-19.
 - **Canada Recovery Caregiving Benefit (CRCB)** provides \$500/week per household for up to 26 weeks to workers who are not able to work because they need to provide care to children or support to other dependents who need to stay home.
- The change to a 50 per cent claw-back rate with CRB provides better incentives for workers to participate in the labour market and support the economic recovery. These temporary measures to the income support programs provide continued income security to workers who are affected by COVID 19. This pandemic has shone a light on the issues of the EI system which for a long time, has been widely criticized for being inadequate and failing to respond to the evolving labour market.

Decision required:

- **This is a 30-day issue.**

Advice/Recommendations; Intergovernmental Communications

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Cabinet Confidences; Advice/Recommendations; Intergovernmental Communications

30/60/90 DAY DECISION NOTE

Issue:

Advice/Recommendations

- **This is a 30 day issue.**

Background:

- As of October 1, 2020, BC private companies are required to keep a record of their beneficial owners,¹ known as significant individuals in their records office.
 - The transparency register can only be accessed by the current directors of the company, law enforcement, tax authorities and other regulators upon request. It is not available to the public.
- The transparency register requirement met a December 2017 Finance Ministers' commitment.²
 - This commitment arose from the federal/provincial/territorial on beneficial ownership (FPT working group) which agreed to strengthen beneficial ownership through two phases:
 - Phase I – require all private companies in all Canadian jurisdictions to create and maintain beneficial ownership information in their corporate records.
 - s.13; s.16
- Shortly after introducing the transparency register requirement in the legislature, the Expert Panel on Money Laundering in B.C. Real Estate recommended that B.C. implement a public registry of beneficial ownership of companies.
- In response, BC launched a consultation on a beneficial ownership registry in January 2020 that ended on April 30, 2020 and was conducted in coordination with a similar federal consultation.

Advice/Recommendations

Decision required:

Advice/Recommendations

¹ Beneficial ownership refers to the natural person(s) who ultimately owns, benefits from, or controls, a corporate entity.

² <https://www.canada.ca/en/department-finance/programs/agreements/strengthen-beneficial-ownership-transparency.html>

- This is a 30 day issue.

30/60/90 DAY DECISION NOTE

Issue:
Advice/Recommendations

Background:

- Many tax statutes are based on the self-reporting concept. That is, since the taxpayer sits in the position of having the most information about their tax position, they are required to provide that information truthfully and honestly and in return the government promises to hold this information in utmost confidence.

Advice/Recommendations

Advice/Recommendations; Legal Information

Advice/Recommendations

Decision required:

Cabinet Confidences; Advice/Recommendations

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Intergovernmental Communications; Advice/Recommendations

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Withheld pursuant to/removed as

Advice/Recommendations; Intergovernmental Communications

30/60/90 DAY DECISION NOTE

Issue:

- The federal government has provided B.C. with funding to address shared priorities during the COVID-19 pandemic. Advice/Recommendations; Intergovernmental Communications
- **This is a 30-day issue.**

Background:

- Throughout the COVID-19 pandemic, FPT Finance Ministers have met regularly (in addition to regular First Ministers' calls) to discuss how best to support individuals and businesses. Provinces/territories successfully negotiated changes to the federal government's proposal to restart the economy, which resulted in an \$19B Safe Restart Agreement (SRA), of which B.C. will be receiving \$1.96B (as follows in the table).

SAFE RESTART AGREEMENT BRITISH COLUMBIA ALLOCATION¹

	(\$1000s)
Childcare for Returning Workers	82,772
Health Care Capacity	161,813
Health Care Capacity	94,391
Mental Health and Problematic Substance Use	67,422
Vulnerable populations	99,785
Municipalities (Federal Contribution)	809,689
\$2B envelope	269,689
Transit	540,000
<i>Provincial Cost-Matching Requirement</i>	<i>809,689</i>
Testing, Contact Tracing & Data Mgt	404,534
Payment 1	310,142
Payment 2 (Fall 2020)	94,391
Personal Protective Equipment	404,534
Provincial Procurement	404,534
Sick Leave	-
Payment 1	1,868,735
Payment 2 (Fall 2020)	94,391
Agreement Totals	1,963,126
<i>Including Provincial Support for Municipalities</i>	<i>2,772,815</i>

In addition to the SRA, there have been a number of other partnerships or one-off transfers, including the following:

- Canada Emergency Commercial Rent Assistance (CECRA) that provides relief for small businesses

¹ Preliminary estimates, subject to change. Does not include federal in-kind spending.

experiencing financial hardship due to COVID-19. CECRA covered 50 per cent of the rent for the months of April, May, June, July, August and September, with the tenant paying up to 25 per cent and the property owner forgiving at least 25 per cent. The B.C. Government and other PTs agreed to a 75/25 cost-sharing formula with the following commitments for B.C. commercial renters: federal government \$237M & B.C. \$79M.

- Orphan Wells Up to \$1.72B to the governments of Alberta, Saskatchewan, and British Columbia, and to the Alberta Orphan Well Association, to clean up orphan and inactive oil and gas wells. (\$120M for B.C.)
- Safe Return to Class Fund Up to \$2B in support for provinces and territories 'to ensure the safety of students and staff members throughout the school year.' On September 3, 2020 B.C.'s Minister of Education announced the initial allocation of \$101.1 million will go to school districts, \$8.0 million to independent schools and reserving \$12.1 million for emerging COVID-19 related issues between September and December 2020. The Ministry is expected to receive up to an additional \$121.2 million in January, which will be allocated out at that time.
- Supporting critical health care system needs and mitigation efforts \$500 million to provinces/territories for critical health care system needs and to support mitigation efforts (e.g. to access testing, acquisition of equipment, and to enhance surveillance and monitoring). Financial considerations should not and will not be an obstacle to hospitals and health systems making the necessary preparations.
- Wage Top up for essential workers \$3B in federal support to increase the wages of low-income essential workers. Each PT determines which workers would be eligible for support, and how much support they will receive. B.C. decided to use its \$401M to provide temporary pandemic pay to support eligible employees that delivered in-person, front-line care in health, social services and corrections during the 16-week period of March 15 to July 4, 2020.

The above list excludes goods in kind that benefits the province because it frees up resources for other purposes such as a \$2B federal commitment to support diagnostic testing and to purchase ventilators and protective personal equipment, including for bulk purchases with provinces and territories.

Decision required:

Advice/Recommendations; Intergovernmental Communications

- **This is a 30 day issue.**

30/60/90 DAY DECISION NOTE

Issue:

- Finalizing delayed tax measures from *Budget 2020*
- **This is a 30 day issue.**

Background:

- *Budget 2020* included two provincial sales tax (PST) measures that were delayed as part of B.C.'s COVID-19 Action Plan. These delays were intended to reduce the amount of tax paid by households in the early phase of the pandemic and to avoid introducing new tax compliance pressures for businesses involved with collecting the PST.
 - The first measure removes the PST exemption for sweetened carbonated beverages.
 - The second measure adds PST registration and collection requirements for out-of-province sellers of software and telecommunication services (e.g. video streaming) and out-of-province sellers of vapour products (e.g. e-cigarettes). All of the goods and services sold by affected businesses are already subject to PST, but the B.C. recipients of these goods and services rarely abide by the requirement to self-assess and pay this PST directly to the government (most are unaware of the obligation).
 - The new requirements mean that sellers will have to collect this PST from their B.C. customers.
- On September 2, 2020, Minister James announced that these measures would come into force on April 1, 2021. Originally, both measures were going to take effect on July 1, 2020, but house amendments to the *Budget Measures Implementation Act, 2020* established that the measures would come into force on dates to be set by regulation.

Cabinet Confidences; Legal Information

Advice/Recommendations

Decision required:

- Advice/Recommendations
- **This is a 30 day issue.**

30/60/90 DAY DECISION NOTE

Issue:

- Insurance Council Rule Amendment
- **This is a 30 day issue.**

Background:

- The Insurance Council of BC has the authority to make rules for the purposes of licensing and regulating the conduct of insurance agents. The Insurance Council Rule-Making Procedure Regulation (the Regulation) under the *Financial Institutions Act* (FIA) generally requires a minimum 60-day public comment period and Ministerial approval of a final rule or rule amendments, before the Insurance Council can proceed with making a rule.
- However, section 6 of the Regulation provides for an expedited approval process for making urgent rules "if the council considers it necessary and in the public interest to make or amend a rule without delay." The Minister of Finance's consent to making the rule, and to making it under the urgent process, is required. If a rule is made under the urgent process, it is effective for only a limited period; unless earlier repealed or revoked, the Regulation provides that the rule amendment approved on an urgent basis is automatically "revoked on the 275th day after the day it is published."
- Insurance Council Rule 6(1) sets out certain restrictions on licenses held by level 1 licensees, including a restriction on where they may work. Level 1 licensees are entry level licensees and are generally required by Rule 6(1) to work "on the premises of the insurance agency the licensee is authorized to represent."
- In response to the pandemic, the Insurance Council proposed and received Ministerial approval for an urgent amendment to Insurance Council Rule 6 (1) to allow licensees that have "completed the Council Rules Course and held an active general insurance salesperson licence for 6 of the preceding 9 months" to work outside of an agency office.
- The change responded to concerns from insurance agencies that they lack the resources required to effectively serve British Columbians' insurance needs as further escalation of virus containment measures occurs, such as agency closures and/or quarantines. The change facilitates British Columbians' continued ability to obtain insurance with minimal interruption or delay and provide greater opportunities for level 1 salespersons to retain employment during a time of uncertainty. It also helps mitigate the spread of the COVID-19 virus within communities by facilitating agencies to enable their employees to work remotely.
- In accordance with the Insurance Council Rule Making Procedure Regulation, the urgent rule change will expire on the 275th day after it was published so the existing urgent rule will expire December 19, 2020.

Advice/Recommendations

Advice/Recommendations



Decision required:

Advice/Recommendations

- **This is a 30 day issue.**



30/60/90 DAY DECISION NOTE

Issue:

- The *Land Owner Transparency Act* comes into force on November 30, 2020, creating an obligation for pre-existing reporting bodies to file a report with the registry within 1 year.

Advice/Recommendations

- **This is a 30-day issue.**

Background:

- On May 16, 2019, Bill 23, the *Land Owner Transparency Act* (the Act) received Royal Assent. The Act creates a first of its kind in Canada framework for disclosure requirements to identify the actual (beneficial) owners of properties in BC and establishes a publicly accessible registry of beneficial interests in land.
- The disclosure requirements under the Act will apply to all trusts, corporations and partnerships (reporting bodies), unless they are specifically exempted under the Act or the regulations.
- Regulations deposited prior to the dissolution of the previous government, will bring the Act into force in the following order:
 - November 30, 2020: the Act comes into force, requiring transparency declarations or reports to be filed with the Registry whenever there is a change in an ownership interest in property.
 - April 30, 2021: search provisions come into force, allowing public searches of the Registry.
 - November 30, 2021: final deadline for all reporting bodies to file with the Registry. This applies to those reporting bodies who hold an interest in property as of November 30, 2020 where there has been no change in the ownership interest since that date (pre-existing reporting bodies).

Advice/Recommendations

Decision required:

Advice/Recommendations

- **This is a 30-day issue.**

30/60/90 DAY DECISION NOTE

Issue:

- Premiers, supported by their Finance Ministers, are negotiating increased federal funding through the Canada Health Transfer and the Fiscal Stabilization Program.
- **This is a 30-day issue.**

Background:

- The federal government provides funding to provinces and territories for health care primarily through the Canada Health Transfer (CHT). At \$41.9 billion nationally, the CHT represents only 22 per cent of provincial/territorial (PT) health care spending, compared to past targets of 25 per cent or the 50/50 cost-sharing that existed when the federal government started funding universal health care. The annual CHT growth rate was cut in 2017/18, falling from six per cent to either three per cent or an average of nominal GDP growth (whichever is higher).
- The Fiscal Stabilization Program is a federal transfer program intended to protect provinces (territories are not eligible) from significant year-over-year declines in revenue, but because of its stringent criteria, it provided no funding to provinces between 1994/95 and 2014/15, despite events such as the global economic crisis of 2008. And because the program caps payments to provinces at \$60 per capita, entitlements may be a minuscule portion of actual revenue losses.
- These fiscal arrangements fall under the jurisdiction of finance ministers, who provide advice to their respective government leaders when negotiations are elevated to First Ministers.

Canada Health Transfer

- The last major increase to the CHT, in 2004, was the culmination of years of pressure in relation to growing wait lists and a 2002 royal commission report supported provincial/territorial (PT) calls for increasing federal funding to 25 per cent of PT health care spending. The CHT was substantially increased over two years to close the 25 per cent gap and then grew by six per cent annually.
- In 2011, the federal government announced that in 2017/18, the CHT growth rate would be cut to three per cent or a three-year average of nominal GDP growth – whichever is higher. As health costs tend to grow at a rate greater than GDP, the CHT has been declining as a share of spending.
- PTs prefer funding through the CHT rather than targeted funding because that allows them to spend according to their own needs and priorities. PT attempts in 2016 to negotiate a higher CHT growth rate were unsuccessful, but PTs were successful in increasing and extending a federal commitment to provide targeted funding for mental health/addictions and home/continuing care.
- On June 1, 2020, within the context of the COVID-19 pandemic, a Council of the Federation (CoF) letter to PT finance ministers requested a report analyzing options for enhancing the Canada Health Transfer (CHT). That report was provided to Premiers in September.
- On September 18, 2020, CoF held a press conference and issued a press release calling for the CHT to be increased by \$28 billion in 2021/22, with an ongoing target of 35 per cent of PT spending. The press release also called on the Prime Minister to confirm the date for a First Ministers' Meeting (FMM) – the federal commitment had been to hold it in late fall.
- Under the current equal per capita allocation, every \$1 billion the CHT increases, B.C.'s share would increase by approximately \$135 million, so a \$28 billion increase nationally would equate to an

increase of almost \$3.8 billion for B.C.

- Following the CoF press conference, federal Intergovernmental Affairs Minister Dominic LeBlanc held a press conference, where he emphasized that the federal government is prepared to discuss (unspecified) changes to the CHT, as well as the issue of a demographic allocation to the CHT (i.e. an allocation that takes into account age and possibly sex).
- On October 7th, the Council of the Federation shared a document outlining its principles for CHT negotiations with the Deputy Minister of the Privy Council Office. PT and FPT progress on CHT have slowed, possibly due to election processes being underway in both B.C. and Saskatchewan.
- The expected cost of providing health care services varies across provinces and territories because health care spending is strongly tied to age and age composition varies between jurisdictions. Federal health care funding has never taken this measure of differing need into account. Advice/Recom

Advice/Recommendations; Intergovernmental Communications

Fiscal Stabilization

- At the urging of Alberta, CoF on December 6, 2019, directed PT finance ministers to develop a consensus position on Fiscal Stabilization Program (FSP) enhancement and advance it at the meeting of FPT Finance ministers held on December 16-17, 2019.
- The PT consensus proposal called for immediate changes to FSP with the proviso that any enhancements not be made at the expense of other transfers:
 - Lowering the qualifying thresholds to a three per cent decline in non-resource revenue (from five per cent) and a 40 per cent decline in resource revenue (from 50 per cent) (thresholds act like insurance deductibles: FSP only covers the excess portion);
 - Removing the \$60 per capita cap on entitlements; and
 - Backdating the changes to 2015/16, a year when, if not for the cap on entitlements, Alberta would have qualified for about \$3 billion in support due to falling oil prices.
- The proposal also called for further analysis on more technical issues, such as the data used in calculating entitlements, as well as the potential for entitlements over multiple years.
- Then-Finance Minister Bill Morneau wrote a letter stating that he had directed his staff to conduct analyses for a decision in the spring. No announcement has yet been made.
- Premiers' most recent calls for improvements to the FSP were made in a September 18, 2020, press conference and press release and in a September 24, 2020, CoF meeting press release.
- Even with the proposed changes, it is likely to be rare going forward for B.C. or any other province to qualify for FSP funding – with the notable exception of 2020/21, when most, if not all provinces, will likely qualify due to the economic impact of COVID-19. CoF has estimated the impact of the proposed changes in relation to 2020/21 would be \$19.5 billion, with the retroactivity to prior years increasing the cost by a further \$4.6 billion.
- Because oil and gas revenues fluctuate more than other revenue, it is subject to higher FSP thresholds. Even so, provinces reliant on oil and gas revenue (Alberta, Saskatchewan, and Newfoundland and Labrador) are more likely to benefit from enhancements to the FSP.
- Preliminary estimates suggest B.C. would qualify for the maximum \$308 million this year under the current, capped FSP formula or in the order of \$3.7 billion under proposed changes.
- Due to the 2008 global economic crisis, B.C. had revenue declines in 2008/09 and 2009/10, but received no FSP payments. The FSP could be improved if consecutive losses were considered.

Decisions required:
Advice/Recommendations; Intergovernmental Communications

- This is a 30 day issue.

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Withheld pursuant to/removed as

Cabinet Confidences; Advice/Recommendations

30/60/90 DAY DECISION NOTE

Issue:

- Advice/Recommendations
- **This is a 30 day issue.**

Background:

- Money Services Businesses (MSBs) are a large and diverse set of businesses engaged in foreign exchange dealing, remitting or transmitting funds, and issuing or redeeming money orders, traveller's cheques or other similar negotiable instruments.
- MSBs are not traditional financial institutions. They do not accept deposits or make loans; however, financial institutions often provide services that are similar to MSBs.
- MSBs are regulated for anti-money laundering (AML) and anti-terrorist financing (ATF) purposes by FINTRAC.¹
- The only other Canadian jurisdiction that regulates MSBs is Quebec. Quebec regulates MSBs for AML and tax evasion purposes.
- The Expert Panel recommended that the BC government consider regulating MSBs in *Combating Money Laundering in BC Real Estate*; and Peter German recommended that the BC government consider regulating MSBs in *The Independent Review of Money Laundering in Lower Mainland Casinos*.
- An MSB public consultation was undertaken from January 7 to April 30, 2020 and follow up discussions were organized with key stakeholders, including FINTRAC and law enforcement.

Cabinet Confidences; Advice/Recommendations

¹ The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), established by the federal *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)*, has as their mandate to assist in the detection, prevention and deterrence of money laundering and the financing of terrorist activities.

)

Decision required:

Cabinet Confidences; Advice/Recommendations

- **This is a 30 day issue**

)

² The 1996 Competition Tribunal Consent Order opened the proprietary Interac Inc. shared electronic network services to non-financial institutions.

)

30/60/90 DAY DECISION NOTE

Issue:

Advice/Recommendations

- **This is a 30 day issue.**

Background:

- Target benefit (TB) plans were a significant innovation in the 2015 *Pension Benefits Standards Act* (PBSA). Alberta (AB) and BC pension standards legislation was rewritten based on recommendations of the AB – BC Joint Expert Panel on Pension Standards to be almost identical.
- TB plans are designed to provide lifetime pension to members, like a defined benefit plan. But like a defined contribution plan, contributions are limited to those that are contractually required, resulting in a benefit that is not defined.
- The TB plan category was created to provide for appropriate registration of existing multi-employer plans established through collective agreements. The former PBSA only provided for registration of defined benefit and defined contribution plans.
- The flexibility offered by TB plans is important in encouraging more employers to offer pension plans to their employees.
- Funding requirements for TB plans were developed jointly by AB and BC in consultation with the Canadian Institute of Actuaries and stakeholders.
- Plans must demonstrate that contributions are sufficient to fund plan liabilities on a going concern basis plus a provision for adverse deviation (PfAD) that reflects investment risk.
- If expected contributions are not sufficient to meet funding requirements, benefits must be reduced, unless an increase in contributions is negotiated.
- Funded status must be demonstrated at least every three years by filing a valuation report prepared by an actuary.
- The PfAD is designed to provide an 85% probability that a plan will be fully funded at its next valuation.
- A significant number of the 36 plans that have converted to TB have made representations to Ministry of Finance staff and the BC Financial Services Authority (BCFSA) about the size and volatility of the PfAD funding requirements, which apply after a three-year grace period.
- The BCFSA has completed an internal analysis of valuation reports filed by all 38 registered TB plans, and has been collaborating with the AB Superintendent of Pensions on analyzing information from valuation reports filed with both offices.
- In August 2020, the BCFSA established a TB PfAD Working Group with a mandate to develop proposals for both short-term relief and long-term reform. A proposal on long-term reforms is not expected until at least mid-2021.
- Working Group members include stakeholders representing TB plans registered in BC or AB, three actuaries who advise these plans, and staff from the Ministry of Finance, the AB Ministry of Treasury Board and Finance and the AB Superintendent's Office.

Advice/Recommendations

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Withheld pursuant to/removed as

Advice/Recommendations

30/60/90 DAY DECISION NOTE

Issue:

- The creation of a single regulator for real estate abolishes the Real Estate Council of BC (RECBC),
Advice/Recommendations
- **This is a 30 day issue.**

Background:

- The *Real Estate Services Act* (RESA) creates the following three entities. RECBC appoints some of the board members to each entity:
 - The Real Estate Errors and Omissions Insurance Corporation;
 - Real Estate Foundation of British Columbia; and,
 - Real Estate Compensation Fund Corporation.
- In 2016, government changed the composition of the RECBC board such that all members of the board become government appointees.
- The combination of direct government appointees and RECBC appointees to the boards of the three entities created under RESA means that government effectively controls a majority on the boards of those entities and, therefore, they become part of the government reporting entity.

Advice/Recommendations

- RECBC will cease to exist in 2021 once the British Columbia Financial Services Authority (BCFSA) becomes the single regulator for real estate.

Advice/Recommendations

Decision required:

Cabinet Confidences; Advice/Recommendations

- **This is a 30 day issue.**

30/60/90 DECISION NOTE

Issue:

- Expiry of the Reciprocal Taxation Agreement (Canada – British Columbia)
- **This is a 30 day issue.**

Background:

- The provinces and Canada are constitutionally immune from each other's taxes (BC cannot be required to pay GST, Canada cannot be required to pay PST).
- For simplicity and to enhance competitive equity between government and non-government suppliers, Canada has entered into Reciprocal Taxation Agreements (RTAs) with all provinces and territories except Alberta and New Brunswick.
- Under the RTA between Canada and B.C.:
 - the Government of Canada, aside from a group of specified federal boards, agencies, and commissions, is exempt from paying B.C.'s provincial sales tax (PST);
 - the Government of Canada agrees to pay B.C.'s carbon tax, motor fuel tax, and tobacco tax;
 - B.C. and specified agents of the provincial Crown agree to pay Canada's goods and services and harmonized sales taxes but are entitled to claim a "government rebate" to recover the cost of these taxes.
- The agreement makes dealing with government entities simpler for businesses that sell goods or provide services to governments. Businesses can simply charge the usual amount of tax without having to determine whether a government entity is exempt.
- Canada and BC then arrange any required rebates for taxes collected by businesses.
- The core RTA between Canada and B.C. was negotiated in 2010 and, aside from some amendments to address B.C.'s transition out of the harmonized sales tax system, has seen few changes since then.
- While the 2010 RTA was set to expire at the end of 2015, it has been extended by one- or two-year periods at several times since 2015 and is now set to expire December 31, 2020.

Advice/Recommendations; Intergovernmental Communications

Decision required:

Intergovernmental Communications

- **This is a 30 day issue.**

30/60/90 DAY DECISION NOTE

Issue:

- Strata Property Insurance and release of the BC Financial Services Authority's review of the strata insurance market (final report)
- **This is a 30 day issue.**

Background:

- In late 2019, government became aware that strata insurance prices were increasing substantially. The *Strata Property Act* (SPA) requires strata property corporations to have and maintain insurance on common property, common assets and buildings shown on the strata plan. The Ministry of Municipal Affairs and Housing's Housing Policy Branch is responsible for the SPA. The Ministry of Finance is responsible for the *Financial Institutions Act* (FIA), which provides the regulatory framework for insurance companies.
- The issues that are contributing to the current market conditions can be broadly summarized in four factors: sustainability, capacity reduction, aging infrastructure/strata management, and increased building costs.

Sustainability

- Insurers in this market segment have experienced losses due to the volume and magnitude of claims (e.g. water damage); however, until recently, insurance premiums have not adjusted accordingly to compensate for the increase.
- Experts have noted that the industry is just emerging from an unusually long "soft" period, which had kept the price of insurance artificially low, which has impacted market profitability.
- Premium adjustments that more accurately reflect the risk of natural catastrophes (e.g. wildfire, flooding, earthquakes) are now being considered.

Capacity reduction/ concentration risk

- The withdrawal of a major insurer in the B.C. market has led to capacity reduction resulting in other insurers being unable to fill this market dislocation.
- Additional capacity constraints may be evident as other insurers review their policy renewals on riskier properties.
- Until market profitability has improved, attracting new entrants to alleviate capacity pressures will remain an obstacle. As well, strata corporation insurance is a small segment of the insurance market as it takes specialized expertise; as densification occurs the small number of insurers are exposed to higher concentration risk.

Aging infrastructure/property management

- In some cases, strata corporations have a history of inadequate property maintenance, which has led to more losses and higher insurance premiums in this hard market.

Increased building costs

- Construction costs in Vancouver are among the highest in Canada.
- Generally, building costs have increased dramatically over the last decade but insurance premiums have not increased to match this.

- This has led to losses for insurance companies, as premiums have not matched the costs to repair damaged or destroyed property. More recently, insurance costs have increased to reflect the increase in building costs.

Actions to date:

- In early 2020 government directed the BC Financial Services Authority (BCFSA) to conduct an in-depth review of the issue. An interim report issued in June 2020 concluded that the causes of price increases were complex and that the strata insurance market was unhealthy. It found there had been a 40% average increase in strata insurance costs over the previous year. Evidence was found that showed the industry has been incurring losses over the past three years from mostly minor claims (particularly those resulting from water damage) due to poor building maintenance practices and initial construction quality issues. A surge in new building construction, the use of costlier finishing materials and the number of existing buildings that are less fire resistant (such as wood frame buildings), as well as insurance coverage requirements around full replacement value, have put further strain on industry profitability.
- In August 2020, the *Municipal Affairs and Housing Statutes Amendment Act (No. 2), 2020* (Bill 14) received Royal Assent, making a number of changes to the FIA and the SPA in order to begin to address the issue. Legislative amendments were largely related to reducing risk and increasing capacity for insurers.
- Further changes to the regulations under the FIA were recently deposited to ensure strata property owners are provided better disclosure from insurance companies and brokers. Specifically, effective November 1, insurance brokers will be required to disclose the quantum of their commission on strata property contracts of insurance. In addition, insurers and brokers will be required to provide advance notification to strata corporations if they anticipate a change to a policy or a non-renewal of a policy.

Advice/Recommendations

Advice/Recommendations

Outstanding items:

- Many of the changes to the SPA that formed part of the *Municipal Affairs and Housing Statutes Amendment Act (No. 2)* will require changes to regulations to fully implement. The Ministry of Municipal Affairs and Housing still needs to undertake consultations to make required amendments to regulations.

Advice/Recommendations

Advice/Recommendations

Decision required:

- Minister must make a decision on when the BCFA should issue their final report on strata insurance.
- **This is a 30 day issue.**

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Advice/Recommendations; Intergovernmental Communications; Cabinet Confidences

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Withheld pursuant to/removed as

Cabinet Confidences; Advice/Recommendations; Intergovernmental Communications

30/60/90 DAY DECISION NOTE

Issue:

Cabinet Confidences; Advice/Recommendations

- **This is a 30-day issue.**

Background:

Cabinet Confidences; Advice/Recommendations

Cabinet Confidences; Advice/Recommendations; Legal Information

Decision required:

Cabinet Confidences; Advice/Recommendations

- **This is a 30-day issue.**

30/60/90 DAY DECISION NOTE

Issue:

- Budget 2020 included an announcement that the Province would work with the municipalities on centralizing administration of the Home Owner Grant (HOG) program with the Province. The project is well underway with systems changes (provincial and municipal) tracking to go live January 2021 such that the Province can administer the HOG program for calendar year 2021. However, amendments to the *Home Owner Grant Act* (HOGA) are required for this administration. Cabinet

Cabinet Confidences; Advice/Recommendations

- The project to centralize and modernize the HOG program, including changes to school /police tax remittance, require amendments prior to home owners being able to claim their 2021 grants. Cabinet

Cabinet Confidences; Advice/Recommendations

Background:

- The HOG program is one of the ways the Province helps B.C. residents with property taxes. The program provides around \$840 million in tax relief to over 1.1 million applicants each year.
- The HOG is generally available to individuals who own and occupy their own home (i.e., not renters) or to eligible occupants of eligible apartments, housing units, land cooperative residences and multi-dwelling leased parcel residences.
- The Ministry of Finance works in partnership with municipalities who collect and adjudicate HOG applications for applicants within their jurisdiction (municipalities approved \$728 million in HOGs in 2019), including determining whether the applicant meets eligibility requirements (e.g. property is the applicant's principal residence and applicant is a Canadian citizen or permanent resident). However, municipal collectors do not have access to information necessary to confirm eligibility, for example if the applicant has received a grant in a different municipality, and if they are a Canadian citizen or permanent resident.
- To help determine eligibility and prevent tax evasion, the Province announced in 2018 they would start to collect Social Insurance Numbers (SIN) from HOG applicants. However, municipalities expressed concern with collecting and storing this sensitive information.
- To address these challenges, and because the Province already administers the HOG program for homeowners in rural areas, the Minister of Finance announced in the Budget and Fiscal Plan 2020 that the Province will work with municipalities to centralize HOG administration. This means that program administration for all HOG applications will transfer to the Province.
- In addition to allowing government to meet it's 2018 commitment to collect SINs as part of the application process, the proposed amendments to the HOGA will ensure:
 - All eligible BC homeowners have equal access to efficient, modernized HOG program delivery; and

- All B.C. homeowners are treated fairly – with eligible applicants receiving the full benefit of the grant, in particular seniors and people with a disability, while ineligible applicants receive no grant.
- The proposed amendments to the HOGA do not change the existing eligibility criteria for the HOG program and are not expected to negatively impact any stakeholder groups.
- In addition to adjudicating HOG applications, municipalities collect school and police tax on behalf of the Province from property owners in their municipalities and pay instalments to the tax in accordance with the STRR and PTR.
- Administratively, approved HOG amounts are deducted from the amount of school tax that municipalities pay to the Province for the properties located within each municipality and the municipality passes on the benefit of the HOG to the homeowner.

Cabinet Confidences

- The streamlined school/police tax instalment schedule would significantly reduce the administrative burden on the Province and municipalities
Cabinet Confidences; Government Financial Information
Cabinet Confidences; Government
- Because HOG centralization significantly reduces their administrative burden, municipalities are supportive of the change and have been working with the Province on system changes for the 2021 tax year, including the reduced municipal instalment schedule for school/police tax.

Cabinet Confidences

Decisions required:

- Cabinet Confidences; Advice/Recommendations

Cabinet Confidences

- **This is a 30 day issue.**

30/60/90 DAY DECISION NOTE

Issue:

- Confirm date and number of years in the outlook of the fiscal plan for *Budget 2021* – as soon as possible **within 30 days**

Background:

- In a non-election year, the Minister of Finance must table a budget on or before the fourth Tuesday of February.
- The production of the budget involves a number of overlapping processes and decisions across government, which normally start in the early summer, as follows:
 - Developing the fiscal framework and priorities (2-3 months starting in May)
 - Budget invitations and instructions provided to ministries; ministries develop proposals (2-3 months)
 - Treasury Board review and approval of submissions (2-3 months)
 - Minister of Finance tax and/or revenue generating decisions (2-3 months)
 - Economic Forecast Council meeting (2-3 months prior to budget day)
 - Crown corporations and agencies submit forecasts to TBS for consolidation (2-3 months)
 - Final Treasury Board and Minister of Finance Decisions (on month prior to budget day)
 - Drafting and printing of budget documents (two months)
- With a fall election, the budget preparation timeline is reduced, therefore additional time is allowed for tabling the budget. Legislation¹ states that a post-election budget must be tabled on or before the fourth Tuesday in March, or 120 days after the appointment of the Premier, whichever is later. The wording of the legislation allows the government to choose an earlier date, but this would be an Advice/Recommendations
- The reference to the 120 days means that the government can choose a budget date beyond March 23 in the event the Premier is not appointed by November 23.

Timelines

Cabinet Confidences; Advice/Recommendations

Cabinet Confidences; Advice/Recommendations

Cabinet Confidences; Advice/Recommendations

¹ *Budget Transparency and Accountability Act*, section 6(4): "... the minister must present the main estimates ... on or before the later of the fourth Tuesday in March ... and the date that is 120 days after the designated date"

Cabinet Confidences; Advice/Recommendations

- This three-year forecast includes revenue projections based on an economic forecast for four calendar years, (including the year in which the budget is tabled), and forecasts of revenues and expenses provided by ministries and all the various government organizations (such as school districts, universities, health organizations, and Crown corporations).

Cabinet Confidences

Cabinet Confidences

Cabinet Confidences

Cabinet Confidences; Advice/Recommendations

Decisions required:

The following decisions are needed as early as possible:
Cabinet Confidences

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Cabinet Confidences

30/60/90 DAY DECISION NOTE

Issue:

- TBS seeks to set the date for the annual Economic Forecast Council (EFC) meeting as soon as possible. Decision needed within **30 days**.

Background:

- The Economic Forecast Council consists of at least 10 independent members (external to government), appointed by order of the minister for their knowledge of the BC economy and expertise in economic analysis and forecasting.
 - There are currently 13 members of the EFC: Bank of Montreal, BC Real Estate Association, Business Council of BC, Central 1 Credit Union, CIBC, Conference Board of Canada, IHS Markit, Laurentian Bank, National Bank, RBC, Scotiabank, Stokes Economics and TD.
 - Most member organizations are represented by their Chief Economist.
- The *Budget Transparency and Accountability Act* requires that a report on the advice of the EFC, including their range of economic forecasts, be included in each year's Budget and Fiscal Plan.
- Although not legislatively required, conventionally the Minister of Finance meets with the EFC in advance of each year's budget to discuss BC's economic outlook and other economic issues.
 - Meetings have historically occurred in-person in Vancouver or Victoria. However, this year the meeting is planned to occur via conference call/webinar to mitigate safety and cancellation risks related to COVID-19.
- EFC members submit surveys containing their forecasts and economic commentary prior to the annual meeting. Members can submit a revision closer to budget, to incorporate any changes that may have occurred since their initial pre-meeting survey.

Decision required:

- Treasury Board Staff advises that as soon as possible within 30 days the Minister of Finance needs to set the date for the Economic Forecast Council meeting.

Cabinet Confidences; Advice/Recommendations

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Withheld pursuant to/removed as

Cabinet Confidences

30/60/90 DAY DECISION NOTE

Issue:

- Partnerships BC (PBC) name change to Infrastructure BC.
- **This is a 30 day issue**

Background:

Cabinet Confidences

- A further outcome of the review was an acknowledgement that the agency's name no longer reflected its changing role within capital planning and procurement.
- In May 2020, the Minister of Finance approved the name Infrastructure BC (IBC).
- On August 27, 2020, PBC legally began operating as IBC, as one of the final steps in its mandate review.
- IBC had initially planned to issue a news release announcing the new name on Sept 30, 2020 however delayed the release due to the interregnum period.
- IBC has directly notified impacted stakeholders of the name change as the agency cannot legally operate under its previous name.

Decision required:

- IBC seeks approval to issue a public news release to communicate its new legal name **within 30 days.**

30/60/90 DAY DECISION NOTE

Issue:

- Confirm publication of Second Quarterly Report as soon as possible – **within 30 days**

Background:

- The *Budget Transparency and Accountability Act* (BTAA) requires government to publish a second quarterly report (Q2) on or before November 30. However, the Q2 report is not required if the due date (November 30) falls between the date a general election is called and 40 days after the appointment of the Premier. This is the case this year: November 30 falls within the exemption period¹, regardless of when exactly the Premier is appointed.

Cabinet Confidences; Advice/Recommendations

- A second quarterly report typically provides actual year-to-date results for revenues, expenses, capital spending and debt, as well as an updated full-year forecast for the current fiscal year – 2020/21.

Cabinet Confidences; Advice/Recommendations

Cabinet Confidences; Advice/Recommendations

Decisions are required as soon as possible (**within 30 days**):

- Whether a *Second Quarterly Report* is to be released publicly.
- If released, the date of the release.

Cabinet Confidences

¹ Exemption period for quarterly reports

BTAA s.10(5): "A quarterly report ... is not required to be made public ... if, but for this subsection, the quarterly report would have been required to be made public on or before a date that is within the period that

(a) begins on the date a general election is called, and

(b) ends on the date that is 40 days after the designated date following the general election."

30/60/90 DAY DECISION NOTE

Issue:

- British Columbia Securities Commission (BCSC) rules - status and approvals

Advice/Recommendations

- ***This is both a 30 and 60 day issue.***

Background:

- The *Securities Act* grants the BCSC the power to make rules (which are regulations under that Act) relating to certain aspects of the securities regulatory framework.
- There is a two-step procedure that the BCSC must follow before it is able to submit a rule (including amendments to existing rules) to the Registrar of Regulations for deposit. This procedure is set out in the Rule Making Procedure Regulation (the Regulation) under the *Securities Act*.
- First, a Ministerial decision to approve in principle a proposed rule is required within 30 days of the Minister's receipt of the details of the proposed rule from the BCSC. If the Minister approves the proposal in principle, the BCSC can publish the rule for public comment over a minimum 60-day comment period. If the Minister makes no decision within 30 days, the BCSC may proceed to publish the proposed rule but must include a notice that the Minister's approval has not been obtained by the date of publication.
- Second, a Ministerial decision on a final rule is required within 60 days of the Minister's receipt of the final proposed rule. If a decision is not made within 60 days to approve or reject the rule, the Minister is deemed to have consented to the rule and the BCSC can proceed to submit the rule to the Registrar of Regulations for deposit.
- Most BCSC rules are national instruments that are developed by provincial securities regulators (which work together as an umbrella organization called the Canadian Securities Administrators or CSA) in concert. As such, the timing for publication, comment and implementation of rules is generally coordinated across the country.

Advice/Recommendations

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Advice/Recommendations

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Cabinet Confidences; Advice/Recommendations; Intergovernmental Communications

30/60/90 DAY DECISION NOTE

Issue:

Cabinet Confidences; Advice/Recommendations

- **This is a 60 day issue.**

Background:

- In 2019, BC passed the *Land Owner Transparency Act (LOTA)* establishing a government-maintained publicly accessible registry of beneficial owners of land in BC: the land owner transparency registry (LOTR). This comes into force on November 30, 2020.
 - The Land Title and Survey Authority of BC (LTSA) was made the administrator of the LOTA as the LTSA is the registry for land.
 - Since the LTSA is not a government entity, but self-funded, government does not have to pay for the LOTR operations.
 - At the same time, BC passed the *Business Corporations Amendments Act, 2019 (Act)* requiring BC private companies to create a transparency register listing their beneficial owners and keep it in the company's records office.
 - Since completion of the Act, BC has conducted a consultation from January 2020 to April 2020, regarding a registry of beneficial owners of companies similar to the LOTR.
- Cabinet Confidences; Advice/Recommendations

Decision required:

Cabinet Confidences; Advice/Recommendations

- **This is a 60 day decision.**

30/60/90 DAY DECISION NOTE

Issue:

- ***This is a 60 day note***
- Legislation is required for the StrongerBC Increased Employment Incentive
- Funding approval is required for administrative systems

Background:

- The StrongerBC plan released on September 17, 2020 announced a temporary tax rebate program intended to support the economic recovery - the "Increased Employment Incentive".
 - The Increased Employment Incentive provides employers who have recently increased their payroll with a refundable tax credit equal to 15 per cent credit of the increase in qualifying payroll.
 - The credit applies to qualifying payroll for the final quarter of 2020.
 - Employers would be able to apply for the rebate beginning in March 2021.

Advice/Recommendations

- On the day of the StrongerBC announcement, the government released a detailed technical backgrounder outlining how the rebate would apply. These rules mirror the instructions prepared for the Office of Legislative Counsel. This backgrounder has been analyzed in detail by tax professionals and employers are likely to have taken these rules into account in making hiring decisions since September 17, 2020.

Decision required:

- This is a 60 day issue.

Advice/Recommendations

30/60/90 DAY DECISION NOTE

Issue:

- OIC required for the StrongerBC PST rebate on select machinery and equipment
- **This is a 60 day issue.**

Background:

- The StrongerBC plan released on September 17, 2020 announced a temporary provincial sales tax (PST) rebate for select machinery and equipment.
- The plan indicated that the rebate would be available in respect of all PST paid by incorporated businesses between September 17, 2020 and September 30, 2021 on qualifying investments. Incorporated businesses would be able to apply for the rebate beginning on April 1, 2021.

Advice/Recommendations

- On the day of the announcement, the government released a detailed technical backgrounder outlining how the rebate would apply.

Advice/Recommendations

Cabinet Confidences; Advice/Recommendations

Decision required:

Advice/Recommendations

- **This is a 60 day issue.**

30/60/90 DAY DECISION NOTE

Issue:

- New municipal and regional district tax (MRDT) applications
- **This is a 60 day issue.**

Background:

- The MRDT is an up-to 3 per cent tax on short-term accommodation (e.g. hotel stays) that applies in areas of the province where local tourism stakeholders demonstrate adequate support for the tax.
- The MRDT does not contribute to provincial revenues. While the tax is imposed through the *Provincial Sales Tax Act*, it is payable to local “designated recipients” (largely local governments). MRDT collected by accommodation providers is remitted to the Province and these revenues are, in turn, disbursed to the local designated recipients.
- By regulation, designated recipients are permitted to spend MRDT revenues on tourism marketing, tourism programs and projects, and on initiatives respecting affordable housing.
- While the legislation and policy underpinning the MRDT is the responsibility of the Ministry of Finance, the MRDT program is jointly administered by the Ministry of Finance, the Ministry of Tourism, Arts and Culture, and Destination BC.
- When local areas choose to participate in the MRDT program, they must submit an application that includes various planning documents and that demonstrates adequate support for the tax.
- Government has recently received an application from Kitimat^{Advice/Recommendations}

Advice/Recommendations

- When applications demonstrate adequate local support, Ministry of Finance staff prepare an order in council (OIC) package for consideration by the Minister of Finance and Cabinet.

Advice/Recommendations

Decision required:

Advice/Recommendations

- **This is a 60 day issue.**

30/60/90 DAY DECISION NOTE

Issue:

- The BC Financial Services Authority is seeking ^{Advice/Rec} compensation ranges for management and executives and placement of executives ^{Advice/Recommend} in the new OneFSR organization structure.
Advice/Recommendations
- The PSEC Secretariat will provide advice to the MINISTER OF FINANCE on this issue.
- **This is a 60-day issue**

Background:

Cabinet Confidences; Advice/Recommendations

- The HR Work Stream Committee has since assessed the current provisions for each of the three organizations (BCFSA, RECBC and OSRE) to find a solution that harmonizes to a single plan that minimizes impacts to employees in the transition to an integrated regulator.
- Since April 2020, the business sponsors (the CEOs of BCFSA, RECB and OSRE) have developed a BCFSA future state organization structure, to be implemented once established as an integrated regulator. Executive and non-executive placements in the future state organization structure has also been identified.
Advice/Recommendations

Decision required:

Advice/Recommendations; Legal Information

- **This is a 60-day issue.**

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Advice/Recommendations

30/60/90 DAY DECISION NOTE

Issue:

Cabinet Confidences; Advice/Recommendations

- ***This is a 60 day item***

Background:

- The APTT (commonly known as the foreign buyer's tax) is a 20 per cent tax that applies to certain transfers of residential real estate.
- The *Property Transfer Tax Act* (PTTA) imposes the APTT on a transfer if a transferee is a foreign entity or taxable trustee. The definition of a "taxable trustee" includes property held in trust for a partnership or limited partnership.
- This means that a transfer is subject to APTT if the transferee is registering title on behalf of a limited partnership that includes a foreign limited partner.
- Limited partnerships are the most common vehicle for carrying on a real estate development as they allow a developer to raise capital from investors – both domestic and foreign, in addition to obtaining traditional mortgage financing. The APTT has restricted the ability of developers to attract foreign private equity through a limited partnership structure.
- Following discussions with the Urban Development Institute (UDI) last year, a decision was made to implement an exemption from APTT for certain limited partnerships.
- The amendments to the *Property Transfer Tax Regulation* were announced in Budget 2020 and came into effect on June 1, 2020.
- The exemption is intended to allow developers to attract some foreign private equity in their partnership without attracting the APTT if the limited partnership meets the following tests:
 - The transferee is a general partner in a limited partnership,
 - Each general partner is a Canadian citizen, permanent resident of Canada or a corporation other than a foreign corporation,
 - The combined interest in the limited partnership of all foreign limited partners accounts for less than half of the entitlement of the all partners to share in the profits of the limited partnership, and
 - Each general and limited partner is a resident of Canada for the income tax purposes throughout the taxation year in which the taxable transaction occurs.

Advice/Recommendations

Advice/Recommendations

Decision required:

Cabinet Confidences; Advice/Recommendations

- **This is a 60-day issue.**

30/60/90 DAY DECISION NOTE

Issue:

Advice/Recommendations

Background:

- Under the oversight of the Office of the Superintendent of Real Estate, RECBC is the Crown agency responsible for regulating more than 25,000 real estate professionals in BC, enforcing the licensing and conduct requirements of the *Real Estate Services Act* (RESA) for individuals and brokerages engaged in real estate sales, rental property management and strata management.
- RECBC sets qualification requirements, develops and delivers mandatory continuing education, licenses qualified applicants, and conducts audits, investigations, and discipline proceedings. The costs to provide these operations and to ensure public protection are covered by licensing fees. The Real Estate Council (board) has the authority under RESA to set licence and assessment fees. In total, real estate professionals pay \$1,800 upon initial licensing, and \$1,450 every two years to renew their licence.
- RECBC retains \$650 of the initial licensing fee and remits the remaining portions to the Real Estate Errors and Omissions Insurance Corporation (\$700), the Real Estate Compensation Fund Corporation (\$300 on initial licensing), and the Office of the Superintendent of Real Estate (\$150).

Advice/Recommendations

Advice/Recommendations

Decision required:
Advice/Recommendations

30/60/90 DAY DECISION NOTE

Issue:

Advice/Recommendations; Intergovernmental Communications; Government Financial Information

- **This is a 60 day issue**

Background:

- As a result of the COVID-19 pandemic the federal government announced an extension to specified federal tax credits filing deadlines including the federal SR&ED tax credit by up to six months.
- B.C. provides a SR&ED tax credit that is substantially harmonized with the federal tax credit and is administered by the Canada Revenue Agency under an agreement.
Advice/Recommendations; Intergovernmental Communications; Government Financial Information

Cabinet Confidences; Government Financial Information

- On August 31, 2020, the federal Minister of Revenue made a Ministerial Order pursuant to the Time Limits and Other Periods Act (COVID-19) to extend the reporting deadline of any federal SR&ED tax credit claim due on or after March 13, 2020 by up to six months but no later than December 31, 2020.

Advice/Recommendations

Advice/Recommendations; Intergovernmental Communications; Government Financial Information

Advice/Recommendations; Intergovernmental Communications; Government Financial Information

Decision required:

Advice/Recommendations; Intergovernmental Communications; Government Financial Information

- **This is a 60 day issue**

30/60/90 DAY DECISION NOTE

Issue:
Advice/Recommendations

- **This is a 60 day issue**

Background:
Advice/Recommendations

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Advice/Recommendations

Advice/Recommendations

Decision required:
Advice/Recommendations

- **This is a 60 day issue**

30/60/90 DAY DECISION NOTE

Issue:

Advice/Recommendations

- **This is a 90 day issue.**

Background:

Advice/Recommendations

- The Act provides rules for the incorporation and corporate governance of cooperative associations. It is administered by the Registrar of Companies at the BC Registry Services in the Ministry of Citizens' Services (the Corporate Registry).
- Like a company and a society, a cooperative association is a type of legally incorporated corporation. A cooperative association is owned by an association of persons seeking to satisfy common needs such as access to products or services.
- Cooperative associations can improve access and affordability to goods and services for British Columbians. Community and regionally-based cooperative associations also create jobs and investment in local businesses in our province.
- There are currently 617 cooperative associations registered in British Columbia – approximately 270 are housing cooperatives and 48 are community service cooperatives.

Advice/Recommendations

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Advice/Recommendations

30/60/90 DAY DECISION NOTE

Issue:

Cabinet Confidences; Advice/Recommendations

- **This is a 90 day issue.**

Background:

- The *Mortgage Brokers Act* (MBA) provides a framework for the regulation of mortgage brokers in BC and creates a Registrar of Mortgage Brokers (the Registrar).
- The CEO of the BC Financial Services Authority (BCFSA) is the Registrar of the MBA.
- The Registrar maintains the Mortgage Brokers Register (a public registry), reviews the suitability of applicants for registration, verifies compliance with consumer protection measures including borrower and investor disclosure statements, investigates complaints, summons witnesses, holds hearings and issues orders to cease or undertake specified actions and pay penalties. Brokers may appeal the Registrar's orders to the Financial Services Tribunal.
- Currently there are two categories of registration, mortgage broker and sub mortgage broker (for employees of mortgage brokers). These categories cover a wide range of activities including brokering, lending and administering mortgages.
- The MBA was originally enacted in 1972 and although it has been amended several times the financial services market has changed profoundly.
- The Expert Panel Report on Combatting Money Laundering in BC Real Estate described the MBA as antiquated and recommended the MBA be replaced with a modern regulatory statute that would be effective in regulating all those in the business of mortgage lending with few exceptions.
- In response to the Expert Panel, the Ministry of Finance undertook a public consultation from January 17, 2020 to April 30, 2020.
- The public consultation looked at national best practices for consistency with the more modern legislation of Ontario, Saskatchewan and New Brunswick.
- The consultation covered a wide range of topics and was divided into five themes:
 - licensing requirements – what activities should be licensed, who should be licensed and who should be exempt,
 - general requirements and duties – the standards expected from all licencees,
 - duties owed to borrowers – the specific measures required to ensure the borrower's interests are protected,
 - duties owed to lenders and investors – measures required to protect lenders and investors, and
 - modern regulatory requirements and powers – the administrative and enforcement measures that ensure licencees comply with the Act.

Cabinet Confidences; Advice/Recommendations

¹ MIC or mortgage investment corporations.

- This is a 90 day issue.



30/60/90 DAY DECISION NOTE

Issue:

- Cabinet Confidences is planned to be provided to the Minister for approval. The report will
Cabinet Confidences; Advice/Recommendations
- Cabinet Confidences; Advice/Recommendations A separate 30-day issue note on the OneFSR Project provides more detail on
this issue.
- **This is a 90 Day issue**

Background:

Cabinet Confidences; Advice/Recommendations

- No specific Treasury Board requests and/or approvals are expected to be required to support the integration.

Decision required:

- **This is a 90-day issue**

30/60/90 DAY DECISION NOTE

Issue:

Advice/Recommendations; Government Financial Information

-
- **This is a 90 day issue.**

Background:

- Woodfibre LNG (Woodfibre) is a proposed liquefied natural gas (LNG) facility in the Squamish area.
- Woodfibre holds a facility permit from the BC Oil and Gas Commission and has obtained key environmental approvals. It has been working for the past several years on other significant pieces of the project, including:
 - agreements with First Nations;
 - selection of an engineering, procurement, and construction (EPC) contractor;
 - agreements with BC Hydro and Fortis; and
 - property tax arrangements with Squamish.

Advice/Recommendations; Government Financial Information

Advice/Recommendations; Government Financial Information

Business Information; Advice/Recommendations; Government Financial Information

Decision required:

- This is likely a 90 day issue.

Advice/Recommendations; Government Financial Information
materials will be provided to the Minister of Finance.

additional briefing

30/60/90 DAY DECISION NOTE

Issue:

- Provincial Sales Tax (PST) regulation change consequential to the Canada-United States-Mexico Agreement (CUSMA)
- **This is a 90 day issue.**

Background:

- On July 1, 2020, the new CUSMA entered into force, replacing the North American Free Trade Agreement.
- Under B.C.'s provincial sales tax (PST), resident taxpayers in B.C. are required to pay PST on goods that enter B.C. from outside Canada.
- B.C. has an agreement with the Canada Border Services Agency (CBSA) to collect this PST. In some circumstances, PST is payable on goods that pass through the border and no tax is collected under this agreement (e.g. because CBSA applies *de minimis* thresholds to expedite the handling of low-value goods).
- Under CUSMA, a new *de minimis* threshold was established for goods transported by courier that are imported from Mexico or the United States and that have a value of not more than \$40. Before CUSMA, a \$20 threshold applied.
- To respect this *de minimis* threshold, CBSA will not collect any tax—including PST—on these courier imports valued at \$40 or less.
- While the CUSMA rules prevent CBSA from collecting this PST, it does not create a PST exemption: resident taxpayers in B.C. still have a legal obligation to pay the PST directly to the Province (e.g. by self-assessing and filing a tax return).
- In practice, most taxpayers are unaware of this obligation and do not self-assess.
- The *Provincial Sales Tax Act* (PSTA) includes a provision that recognizes the previous \$20 threshold. (This \$20 threshold continues to apply for mail imports and for courier imports from countries other than Mexico and the United States.)
- While CUSMA is binding on the CBSA, recognizing the new threshold in PST regulations provides legal certainty in relation to CBSA's post-CUSMA administration of the PST on small packages.

Decision required:

- An order in council (OIC) to make this regulation is likely to be ready within 90 days after the end of the election period. When a completed OIC is ready, an OIC package will be forwarded for consideration by the Minister of Finance and Cabinet.
- **This is a 90 day issue.**

30/60/90 DAY DECISION NOTE

Issue: Intergovernmental Communications

- **This is a 90 day issue**

Background:

Advice/Recommendations; Intergovernmental Communications

Local Governments request for a finance review:

- In July 2013, UBCM's Select Committee on Local Government Finance issued "Strong Fiscal Futures: A Blueprint for Strengthening BC Local Governments' Finance System". The report was endorsed by the UBCM membership at the September 2013 convention.
- The report insists that the current local government finance system is "outdated" and the revenue sources are "archaic". It recommends that government make new revenue sources available to local governments so that they can be less reliant on property tax.
- At the 2019 convention, the UBCM membership endorsed a resolution that called the government's response "limited" and requests that government commit to pursuing a more diversified local government finance system.
- Government Advice/Recommendations
Advice/Recommendations however it has offered to dedicate staff to work with UBCM on reviewing the report.
- In September 2020, government announced \$15 million to support innovative local government efforts to improve the efficiency of development approval processes; this could include a discussion about the use of development cost charges and community amenity contributions, which are two key sources of revenue for local governments.
- The report was raised once again at the 2020 UBCM convention, in particular as local governments face challenges in light of COVID-19.

The Resource Benefits Alliance Funding Agreement Request:

- In addition, the Resource Benefits Alliance (RBA), a regional association formed in 2014 that consists of 21 local governments, including 3 regional districts (North Coast, Bulkley-Nechako and Kitimat-Stikine) and the 18 member municipalities, has requested special assistance for northwestern communities.
- The RBA insists there is a surge of planned/built major industrial projects in Northwest BC, where local governments have limited ability to generate tax revenue and they are providing lower standards of basic services.
- In October 2019, the RBA issued a report, "Infrastructure Needs Analysis Report for Northwest BC Local Governments". The report requests a funding agreement – similar to those in place for the Peace River region and the Northern Rockies region – including \$1.332 billion for 222 capital projects and \$154 million annually for operating costs over 20 years.
- At the 2019 UBCM convention, government publicly committed to working with the RBA towards an agreement and suggested that an agreement should be in place prior to the next election.

Advice/Recommendations

- In March 2019, government provided \$100 million to four regional districts (Fraser-Fort George, Bulkley-Nechako, Kitimat-Stikine and North Coast) and their 22 participating municipalities through the Northern Capital and Planning Grant (NCPG) program. The NCPG program is intended to provide these local governments with additional funding for infrastructure and long-term planning. In March 2020, Government provided a further \$50 million through the NCPG program. Of the \$150

million provided over 2019 and 2020, the RBA communities received roughly \$116 million.

- At the 2020 UBCM convention, the Premier, Minister of Finance and Minister of Municipal Affairs & Housing met with the RBA. Following that meeting, the RBA sent a letter to their members stating that Government had committed to completing an agreement in the next 6-12 months.

Requests for Cannabis Revenue-Sharing from Local Governments and First Nations:

- The sale and use of recreational cannabis was legalized across Canada in October 2018.
- In BC, provincial cannabis revenues are derived through:
 - A 75 per cent share of the federal excise duty paid at the wholesale level;
 - The 15 per cent Liquor Distribution Branch (LDB) wholesale markup;
 - LDB retail markup at government-run BC Cannabis Stores; and
 - The 7 per cent provincial sales tax (PST) that applies to retail sales (or 20 per cent PST that applies to retail sales of cannabis vapor products).
- Revenues attributable to the Coordinated Cannabis Taxation Agreement (CCTA) are significantly lower than expected but have started to solidify as provincially-licensed retailers have come on line, black market storefronts have closed, and as “Cannabis 2.0” products such as edibles that have become available at the end of 2019. The *First Quarterly Report 2020/21* revised the 2020/21 forecast to \$25 million, down from \$50 million.
- All cannabis retailers are required to collect and remit PST on cannabis they sell, even if they are not registered and/or are operating illegally. This is consistent with the application of the PST for all BC businesses.
- BC has received a total of \$3.7 M in transfers up to August 2020 from the federal government under this arrangement for sales up until May 2020.
- As of September 30, 2020, B.C. has issued 274 private cannabis retail store licenses, and 25 government retail stores.
- At the 2020 UBCM convention, a resolution was passed once again calling for revenue-sharing with government for cannabis with local governments, suggesting that they have had to incur significant costs to comply with the change in legalized status of cannabis and the development of retail stores.
- In response, government said it is working with the UBCM and is listening to the concerns raised by local governments. Tax revenues continue to be limited, and more time is needed to understand the concerns being raised by local governments before determining the viability of revenue-sharing. This includes the role local governments have in levying their own fees to cover their costs.

Intergovernmental Communications

Issue/Opportunity:

Advice/Recommendations; Intergovernmental Communications

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Cabinet Confidences

30/60/90 DAY DECISION NOTE

Issue:

Cabinet Confidences

- The Ministry of Municipal Affairs and Housing (MAH) will seek Treasury Board approval
Cabinet Confidences
Cabinet Confidences
Government Financial Information
Government Financial Information

- This issue requires a decision in 90 days.

Background:

- The province is working in partnership through BC Housing to build 114,000 affordable homes by 2028 to cover the spectrum of housing needs for British Columbians. CHF is a key part of this housing program initiative and will invest \$1.9 billion over 10 years to create 14,350 new rental
Cabinet Confidences

Government Financial Information

Government Financial Information

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Decision required:

Cabinet Confidences; Government Financial Information

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30/60/90 DAY DECISION NOTE

Issue:

- LNG Canada has contracted with TC Energy Corporation (TCE) to build the Coastal GasLink Pipeline Project (the Project), a natural gas pipeline that spans the interior of the province, ending in Kitimat.

Business Information; Intergovernmental Communications; Government Financial Information

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Business Information; Intergovernmental Communications; Government Financial Information

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Cabinet Confidences; Advice/Recommendations

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Cabinet Confidences; Advice/Recommendations

INFORMATION NOTES INDEX

Ministry of Finance

Corporate Notes

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Cabinet Confidences; Advice/Recommendations	CBO
Community Benefits Agreement Legal Challenge	CBO
Advice/Recommendations	the Non-Consensual Disclosure of Intimate Images
Advice/Recommendations	GEO
Future LNG Development in BC	SI
Advice/Recommendations	SI
2020/21 Budget Management	TBS
Annual Financial Reporting Cycle	TBS
Budget Development Process	TBS
Status of the Provincial Capital Plan	TBS
Current Year Fiscal Update	TBS
Introduction to BC's Economy (pre-COVID)	TBS
Treasury Board Overview	TBS

Ministry Notes

Topic	Division Resp
Crown Board Chairs meeting	CABRO
Advice/Recommendations; Legal Information	CABRO
Implementation of Governing in Public Interest training for Provincial Appointees to Public Sector Organizations	CABRO
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Cabinet Confidences; Advice/Recommendations	CBO
Advice/Recommendations	CBO
Advice/Recommendations	CBO
Advice/Recommendations	CSD

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Pandemic Pay	CSD
Advice/Recommendations	GEO
Emergency Sexual Assault Grant Program	GEO
Gender Pay Gap	GEO
Advice/Recommendations	GEO
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Airbnb ^{Business} Information	RD
Tobacco and Fuel Tax Exemption (TAFT) Project	RD
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Implementation of the Increased Employment Incentive	RD
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BC Prosperity Fund	SI

BC Transit Safe Restart Funding	SI
TransLink Safe Restart Funding	SI
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Status of ICBC finances	SI
Status of major LNG Projects	SI
BC Ferries Safe Restart Funding	SI
Cabinet Confidences; Advice/Recommendations; Intergovernmental Communications	SI
Cross Government Listing of Ministry Responsibilities	SI

Outstanding Recommendations for Finance OAG audits – OCG Transition Material 2020

Status and Recommendations Outstanding	Date Required	OAG Audit Report	Key Activities/Milestones
<p>That government report publicly on its assessment of the province’s long-term fiscal sustainability, including the reporting of relevant targets and results. This assessment should inform the annual budget process.</p>	<p>Ministry of Finance set target dates for action plan items</p>	<p><i>Monitoring Fiscal Sustainability</i> Released June 2015</p>	<p>Last APPA update was provided in January 2019. No APPA update was provided in 2020 due to ministry priorities on COVID-19 pandemic.</p> <p>1 Jurisdictional scan of best practices: complete a report that gathers other approaches to identifying and reporting on long-term sustainability. This report is near completion and is expected to be released in 2019.</p> <p>2 Publicly report on the assessment of key issues that impact long-term fiscal sustainability:</p> <p>a) Demographics / Economy: Report on long-term economic growth prospects, including demographic trends was completed.</p> <p>b) Capital: Report on capital spending to include a summary of provincial facility condition assessment programs, including a discussion of performance measures that assesses the condition of capital infrastructure. Government plans to report publicly in 2019.</p> <p>c) Revenue: Report on long-term potential changes to the tax base and Province’s revenue capability. Government plans to publicly report on potential revenue implications in 2020.</p> <p>d) Expenses: Government plans to publicly report on potential long-term spending trends in 2020.</p> <p>e) Debt: Report on provincial debt will be based on findings from the capital, revenue and expense examinations. Following the reports of these aspects of fiscal planning, government plans to publicly report on potential debt implications in 2021.</p>
<p>From the 2013 Evergreen Line Rapid Transit Project audit report:</p> <p>Recommendation 1:</p> <p>The Ministry of Finance implement a project plan, describing the scope, required resources, timelines and deliverables, for updating the Capital Asset Management Framework (CAMF) to provide comprehensive guidance for public</p>	<p>2020</p>	<p><i>Progress Audit: Evergreen Line Rapid Transit Project</i> Released February 2017</p> <p>In the progress audit report, the OAG disagreed with Finance’s self-assessment on recommendation 1 (fully/substantially implemented).</p>	<ul style="list-style-type: none"> • Representatives from the construction industry and the provincial government have been working together through the Deputy Ministers and Industry Infrastructure Forum (DMIIF) to review capital procurement practices and current policy direction. • DMIIF provides support for consolidated input from, and engagement with, industry. The Ministry of Finance works with the CAMF subcommittee of DMIIF to implement priority initiatives related to CAMF.

October 2, 2020

pg. 1

Outstanding Recommendations for Finance OAG audits – OCG Transition Material 2020

Status and Recommendations Outstanding	Date Required	OAG Audit Report	Key Activities/Milestones
<p>sector agencies on:</p> <ul style="list-style-type: none"> The information required to underpin capital project planning and how this should be documented; and The type of oversight that should be applied to verify the information presented to government. 		<p>The OAG assessment is that the recommendation is only partially implemented. In the progress report the OAG states “Although progress has been made, the Ministry of Finance has not completed its project that would address our recommendation.”</p>	<ul style="list-style-type: none"> As a result of that work, the Province implemented a number of best practice guidance documents under the CAMF: Pre-qualification Processes, Privilege Clauses, Guidance for the Release of Information &/or Documents Related to Competitive Procurement Opportunities, Concept Plan Guidance and a Capital Projects Documentation Retention Checklist. Implementation of the project plan for the update of CAMF has begun with the approval and release of best practices guidance documents mentioned above under the “tools and resources” sections. In addition, revisions of the procurement and financing chapters are underway and nearing completion. In addition, the business case guidance document that includes direction on strategic options analysis is expected to be completed and released in 2020. The concept plan guidance is also being revised to ensure consistency with the business case guidance. The revision of CAMF will include guidance on the information required in planning a capital project, documentation needed, and the due diligence required on information presented to government, particularly as part of the update of the planning and governance chapters. Treasury Board Staff have added staff resources to the CAMF update project and have completed the following pieces of work since the last APPA update: <ul style="list-style-type: none"> Moved the CAMF content from a static pdf file to an online format, making the guidance easier to use and searchable. Business Case Guidance document feedback has been incorporated and is in the final review and approval stage Jurisdictional review of service delivery options analysis completed; recommendations implemented in the business case guidance. Best Practice Guidance on release of information guidance is being revised in consultation with CITZ and the construction industry. Updates to the project documentation and the documentation

Outstanding Recommendations for Finance OAG audits – OCG Transition Material 2020

Status and Recommendations Outstanding	Date Required	OAG Audit Report	Key Activities/Milestones
			<p>retention checklist guidance completed</p> <p>Legal Information</p> <ul style="list-style-type: none"> • Completion of CAMF sub-committee project to produce supplementary general conditions collaboratively between government and industry for the CCDC construction management contracts. • As the update of CAMF is an ongoing project, the project plan is reviewed and revised internally as needed.
<p>From the 2013 Evergreen Line Rapid Transit Project audit report:</p> <p>Recommendation 6:</p> <p>The Ministry of Finance, Ministry of Transportation and Infrastructure, and Partnerships British Columbia improve how they assess and report on whether strategic options assessments and business cases have followed CAMF guidelines.</p>	<p>2020</p>	<p>Progress Audit: Evergreen Line Rapid Transit Project</p> <p>Released February 2017</p> <p>In the progress audit report the OAG agreed with Finance’s self-assessment of partially implemented for recommendation 6.</p>	<ul style="list-style-type: none"> • Internal Partnerships BC business case development guidelines are based on CAMF, and as business cases are reviewed by Ministries, PBC and Finance, consideration is given to whether CAMF principles have been met. • Ministry of Finance reviews of business cases, including strategic options analysis provided by agencies, are aligned with the principles in CAMF and reported through TBS briefing notes prepared for the advice of Treasury Board. • Strategic options analysis, also called service delivery options analysis, is a key component of a project concept plan. A concept plan guidance document has been completed and is available under the tools section of the CAMF https://www2.gov.bc.ca/gov/content/governments/services-for-government/internal-corporate-services/camf. In addition, a jurisdictional scan of best practices for service delivery options analysis has been completed by TBS and was used to inform the final business case guidance document. • A draft business case guidance document has been developed in consultation with key stakeholders and is expected to be finalized and released in 2020. The concept plan guidance is also being updated to better align with the content of the business case guidance in respect of service delivery options analysis and the

Outstanding Recommendations for Finance OAG audits – OCG Transition Material 2020

Status and Recommendations Outstanding	Date Required	OAG Audit Report	Key Activities/Milestones
			recommendations from the jurisdictional scan. The planning chapter of CAMF will also be updated accordingly in due course.
Inform readers of the reasons for, and effects of, using a different presentation for the debt balances in the main chapter of the Budget and Fiscal Plan than for the debt balances in the Summary Financial Statements.	No further APPA reporting required	<i>Budget Process Examination Phase 2: Forecasting for Operating Expense, Capital Spending and Debt</i> Released April 2017	<ul style="list-style-type: none"> • In May 1, 2019, the OAG recommended to PAC that no further APPA requests were required for this audit report. • In October 16, 2019 PAC approved the recommendation to remove this audit report from further APPA requests.
Enhance disclosure of the key assumptions supporting significant changes in projected caseload trends for statutory programs, to allow readers to understand the reasons and risks behind the changes.	No further APPA reporting required	<i>Budget Process Examination Phase 2: Forecasting for Operating Expense, Capital Spending and Debt</i> Released April 2017	<ul style="list-style-type: none"> • In May 1, 2019, the OAG recommended to PAC that no further APPA requests were required for this audit report. • In October 16, 2019 PAC approved the recommendation to remove this audit report from further APPA requests.

2020 BC NDP Platform: Working for You

The following is a high level summary of each platform commitment noting the Ministry currently responsible, the level of policy development required and fiscal and legislative implications. Significant and material issues have also been noted. Ministry executives are available for briefings on any of the commitments. Financial implications for commitments are available from the Ministry of Finance. Financial implications noted below have been provided by the ministry currently responsible for the commitment's implementation. In the majority of instances, these numbers will need to be validated through the Treasury Board process. Commentary in this table is based on the current structure of government. Cost estimates are rounded to the nearest million.

	Commitment	Min	Implementation information
	A recovery benefit for British Columbians		
			Advice/Recommendations
1.	COVID Relief - Families and Individuals Page: 19 <i>A one-time \$1,000 direct deposit to families whose household income is under \$125,000 annually – with a sliding scale up to \$175,000.</i> <i>A one-time \$500 direct deposit to single people earning less than \$62,000 annually – with a sliding scale up to \$87,000.</i> Adv Estimated Operating: TBC Estimated Capital Advice/Recommendati ons:	FIN	Government Financial Information Government Financial Information Governme nt Government Financial Information

More affordable housing			
2.	<p>Control rising cost of strata insurance - BC Financial Services Authority Page: 20 <i>BC Financial Services Authority to investigate and find new ways to help bring insurance costs down.</i> Advice Estimated Operating: TBC Estimated Capital: TBC</p>	FIN/MAH	<p>Government directed the BC Financial Services Authority (BCFSA) to carry out the first in-depth analysis of rising strata insurance costs in B.C. An interim report was released in June, and BCFSA is has engaged with stakeholders to further develop its final report. The BCFSA had initially planned to release its final report on strata insurance this fall. That release has been delayed by the election. Advice/Recommendations Advice/Recommendations</p>
Tackling climate change, protecting nature			
3.	<p>Making e-bikes more affordable Page: 28 <i>Remove the PST on e-bikes.</i> Estimated Operating: TBC Estimated Capital: TBC</p>	FIN	<p>Government Financial Information Government Financial Information</p>
A clean-energy economy & future			
4.	<p>Require greener buildings - realtors provide energy efficiency information Page: 39 <i>Require realtors to provide energy efficiency information on listed homes to incent energy-saving upgrades and let purchasers know what energy bills they will face.</i> Estimated Operating: TBC Estimated Capital: TBC</p>	FIN	<p>Advice/Recommendations The BC Building Code does not currently require energy assessments for existing stock, just for some new construction. There are currently no provincial energy labelling requirements for new construction. Advice/Recommendations Advice/Recommendations</p>

Advice/Recommendations

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An economy that benefits everyone			
5.	<p>Investing an additional 1% of GDP in people and communities Page: 38 <i>A new Recovery Investment Fund will deliver about \$3 billion a year – above and beyond our existing \$23 billion in new capital commitments over three years – to drive new growth and investment. The funding will be used in communities all over the province to build new schools, hospitals, child care spaces, roads and transit, and more – creating an expected 18,000 new jobs every year.</i> Estimated Operating: TBC Estimated Capital: TBC</p>	FIN	
6.	<p>Deliver local jobs and community benefits Page: 38 <i>Wherever possible, attach Community Benefits Agreement (CBAs) to projects launched through the Recovery Investment Fund. »</i> Estimated Operating: TBC Estimated Capital: TBC</p>	FIN/TRAN	<p>In progress – continuation of Community Benefits Agreement through the Community Benefits Office Legislative Implications: None</p>

DEPUTY MINISTER'S OFFICE

Deputy Minister Responsible: Lori Wanamaker

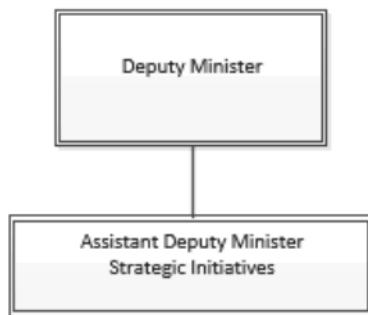
Budget: 2020/21:

\$1.215M

Full Time Equivalents (FTEs):

10 FTEs as of September 26, 2020

Organizational Chart:



30/60/90 DAY DECISIONS

Strategic Initiatives - DMO

Corporate Issues

30/60/90	Issue	Division Resp
30-60	Cabinet Confidences; Advice/Recommendations	SI
30-60	BC Ferries Safe Restart Contribution & Advice/Recommendations	SI
60	Site C Project & Independent Review	SI

Ministry Issues

30/60/90	Issue	Division Resp
60	Advice/Recommendations	SI

INFORMATION NOTES

Strategic Initiatives - DMO

Corporate Notes

	Topic	Division Resp
Advice/Recommendations	~ ~	SI
	Future LNG Development in BC	SI
Advice/Recommendations		SI

Ministry Notes

	Topic	Division Resp
	BC Prosperity Fund	SI
	BC Transit Safe Restart Funding	SI
	TransLink Safe Restart Funding	SI
	BC Investment Management Corporation	SI
	Recent Legislative Amendments - Financial Administration & Budget Management - 2020	SI
	Status of ICBC finances	SI
	Status of major LNG Projects	SI
	BC Ferries Safe Restart Funding	SI
Cabinet Confidences; Advice/Recommendations; Intergovernmental Communications		SI
	Cross Government Listing of Ministry Responsibilities	SI

CORPORATE ISSUE/OPPORTUNITY NOTE

Issue:

Advice/Recommendations

Background:

- Activities of Crown corporations are important in the successful delivery of government's operational and fiscal priorities. Crown corporation financial results are included as part of government's bottom-line Fiscal Plan measures which include operating, capital and debt.

Advice/Recommendations

Advice/Recommendations

Issue/Opportunity:
Advice/Recommendations

CORPORATE ISSUE/OPPORTUNITY NOTE

Issue: **Future LNG Development in BC**

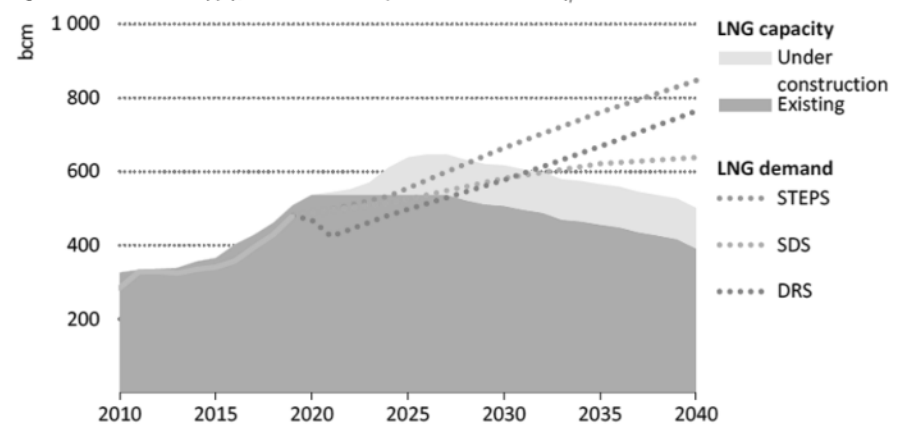
Background:

Market Outlook

- According to the International Energy Agency's (IEA's) recently released World Energy Outlook 2020, global demand for natural gas will decrease by three percent in 2020. Despite the projected decline in demand for natural gas global LNG demand is still expected to expand in 2020. According to the IEA's base case scenario (Stated Policies Scenario (STEPS)), global demand for LNG is expected to increase by approximately 40 percent during the current decade, with most of the increase coming in the Asia-Pacific region.

- As LNG demand growth accelerates through the 2020s, a gap between LNG demand and supply is predicted to emerge around 2030 (see Figure Advice/Recommendations

Figure 1 Forecast LNG Supply/Demand Balance (source: IEA WEO 2020)



Advice/Recommendations

BC Context

- The Montney formation spans BC and Alberta and is one of the largest, cleanest and most economically competitive natural gas resources in the world. The BC Montney alone has over 200 years of supply that can be economically produced for under \$2 per thousand cubic feet of supply cost and it has among the globally lowest levels of CO2 content. This abundance of natural gas was the driver behind the original surge in development interest of an LNG export industry in BC. It has also been a key factor for chronically low natural gas prices in western Canada in recent years.
- Following the cancellation of a number of proposed LNG export projects, the Province introduced an investment fiscal framework to improve British Columbia's competitiveness. Phase one of the LNG Canada (LNGC) project was approved by its owners following the application of investment fiscal framework LNGC's project – now currently under construction in Kitimat.
- The LNGC project is the largest private sector investment in Canadian history. It is expected to generate about \$23B in provincial revenue over 40 years (under assumptions) and create up to 10,000 jobs during construction and up to 950 permanent jobs once operations are underway. This includes the upstream exploration; mid-stream CGL pipeline; and the LNGC plant. The LNGC project is also the single largest point-source of emissions in B.C.
- The decision by LNGC to move forward with the first phase of its project has sparked renewed

interest in developing additional LNG projects in BC. There are three well-advanced projects (with most environmental assessment and permitting work complete) in BC and several others that are under development. Advice/Recommendations

Advice/Recommendations

Intergovernmental Communications; Government Financial Information

Issue/Opportunity:
Advice/Recommendations

Economic Foundation to Support a Sustainable Budget and Fiscal Plan

- The LNG and natural gas sectors tend to provide high wage employment opportunities.

Advice/Recommendations; Government Financial Information

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Advice/Recommendations; Government Financial Information

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Cabinet Confidences; Advice/Recommendations; Government Financial Information

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Cabinet Confidences; Advice/Recommendations; Intergovernmental Communications

INFORMATION NOTE

Issue:

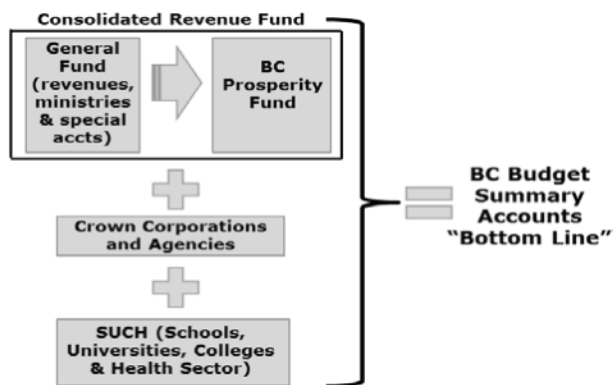
BC Prosperity Fund

Advice/Recommendations

Background:

Advice/Recommendations

- The Fund is established under section 47 of the *Financial Administration Act*) and intended to:
 - Help reduce the Province’s taxpayer-support debt over time;
 - Make capital and operating investments in health care, education, transportation, family supports and other government priorities; and
 - Preserve a share for future generations.
- The chart shows that the Fund is simply another component of the government’s Consolidated Revenue Fund. Annual revenue (e.g. investment income) and spending (excluding debt reduction) of the Fund are included as part of government’s bottom line reported in the annual Budget, Estimates and Public Accounts.
- Under legislation, uses for the Fund are controlled by Treasury Board as follows:
 - 25% of the total of all amounts that have been transferred to or earned by the Fund must be retained by the Fund;
 - 50% (or 2/3 of the remaining 75%) must be used for reducing the debt of the taxpayer-supported government reporting entity; and
 - 25% will be available for priority spending including capital and operating improvements in health care, education, transportation and job training, and providing family supports.



Advice/Recommendations

Advice/Recommendations

Issue/Opportunity:

Cabinet Confidences; Advice/Recommendations

INFORMATION NOTE

Issue:

- Canada-British Columbia Safe Restart Funding for BC Transit

Background:

- The COVID-19 pandemic has caused significant impacts on public transit and by extension has created unprecedented financial pressure for BC Transit and its local government partners.
- Across the province, ridership levels dropped by an average of 75% in early April, and as of September, has only recovered to 41% compared to September 2019.
- Funding for BC Transit is cost-shared between the Province and local government partners. Overall, the Province funds just under half of BC Transit's operating and capital costs, while local governments fund the remaining amount. The local government partner share is made up of revenue from fares, local property taxes and in the case of the Victoria Regional Transit System (VRTS), a regional motor fuel tax.
- The forecast revenue shortfall and increased expenditures associated with COVID-19 is anticipated to be \$86 million^{Advice/Recommendations}
- In the summer of 2020, Canada and British Columbia announced that they would provide up to \$540 million each (or over \$1 billion in total) to transit operators in British Columbia, including BC Ferries, to offset the impacts of the COVID-19 pandemic.

Issue/Opportunity:

- Under the Provincial State of Emergency, public transit has been recognized as an essential service. It has provided an affordable, reliable and safe transportation option throughout the pandemic, and plays an important role in supporting social and economic recovery efforts.
- On September 18, 2020, British Columbia and Canada announced that BC Transit would receive one-time funding of \$86 million to provide relief for the direct benefit of BC Transit Local Government Partners to help offset the impacts of the COVID-19 pandemic.
- The Province has drafted a contribution agreement, to be signed by the Deputy Minister of Transportation and Infrastructure, to convey the Canada – British Columbia Safe Restart funding.
- The Safe Restart funding will assist local governments to maintain essential transit service levels, with minimal or no workforce reductions, through March 31, 2022.
- Local governments will be expected to limit fare increases to no more than 2.3 percent per year until March 31, 2024.

Advice/Recommendations

INFORMATION NOTE

Issue:

- Canada-British Columbia Safe Restart Funding for TransLink

Background:

- The COVID-19 pandemic has caused significant impacts on public transit and by extension has created unprecedented financial pressure for TransLink due to the pandemic's effect on travel demand.
- TransLink is required by statute to be self-financed in the delivery of operating services and capital projects. Regional revenue sources include fares, regional property, fuel and parking taxes, and other own sources. In 2019, transit revenue made up 39.7% and fuel tax, parking rights tax and property tax combined made up 51.9% of total revenue before loss on disposal and senior government funding.
- Low travel demand has significantly reduced TransLink's primary revenue sources (transit fares, fuel tax, and parking tax); with total boardings across the conventional system decreasing by 85% in April 2020 and Advice/Recommendations compared to the same time in 2019.
- TransLink's forecast pandemic-related operating losses is at \$600M for the combined 2020 and 2021 calendar years based on a Medium Case scenario that includes service levels at 100% with ridership levels growing to approximately 60% of 2019 levels in 2021.
- Recognizing the key role of transit in B.C.'s successful recovery, in June 2020, the Province, TransLink and the Mayors' Council entered into a Memorandum of Understanding (MOU) to collaborate on exploring options for TransLink to continue to deliver essential transit service during and after the pandemic period while avoiding service cuts that are not in the public interest and do not align with B.C.'s Restart Plan.
- In addition, the MOU recognizes the critical role the region plays in ensuring its transit system's short, medium and long-term recovery.
- In the summer of 2020, Canada and British Columbia announced that they would provide up to \$540 million each (or over \$1 billion in total) to transit operators in British Columbia, including TransLink, to offset the impacts of the COVID-19 pandemic.

Issue/Opportunity:

- Under the Provincial State of Emergency, public transit has been recognized as an essential service. It has provided an affordable, reliable and safe transportation option throughout the pandemic, and plays an important role in supporting social and economic recovery efforts.
- On September 18, 2020, British Columbia and Canada announced that TransLink would receive one-time funding of \$600 million to help close TransLink's projected COVID-19-related operating funding gap in 2020 and 2021 as well as \$44 million to offset further revenue loss from reducing an annual

fare increases to 2.3% annually through 2024 so that transit fares can remain as low as possible without risking TransLink's financial stability.

- This immediate relief for TransLink in the short-term (2020 and 2021) will allow TransLink to set their budget and service levels for 2021.
- The Province has drafted a contribution agreement, to be signed by the Deputy Minister of Municipal Affairs and Housing, to convey the Canada – British Columbia Safe Restart funding.
- The Safe Restart funding will allow TransLink to maintain service levels that adapt to changing demands (with upside capacity potential) while minimizing service reductions or pass-up trends as much as possible.
- Federal/Provincial Safe Restart funding is a one-time contribution based on extraordinary circumstances created by COVID – 19 and it is not intended to be a change to the existing funding structure for transit services in Metro Vancouver that does not typically include senior government operational funding for TransLink.
- TransLink is expected to limit fare increases to no more than 2.3 percent per year until 2024 with the earliest increase in July 2021.

Advice/Recommendations

A copy of the Ministry of Transportation and Infrastructure's 30/60/90 Day Decision Note is attached as Appendix 1 for additional information.

30/60/90 DAY DECISION NOTE

Issue:

- As part of near, medium and long-term financial recovery for TransLink and to assist the agency in the development of their next Investment Plan, the Province needs to work with the agency

Advice/Recommendations
Advice/Recommendations

Background:

- The *South Coast British Columbia Transportation Authority (SCBCTA) Act* requires TransLink to develop an investment plan that identifies planned transportation services, initiatives, and capital investments for the next ten years (Investment Plan). The SCBCTA Act requires that TransLink update its Investment Plan every three years, or more frequently.
- In 2014, the Mayors' Council on Regional Transportation approved a 10-Year Vision for transportation and transit investments and service increases in Metro Vancouver. The Vision was structured to be delivered in three phases and through three separate overlapping 10-Year Investment Plans.
- The Phase One Investment Plan was approved in 2016 with provincial and federal contributions of \$246 million and \$370 million, respectively. It included rail and bus transit service increases, new SkyTrain and West Coast Express cars, as well as other capital investments.
- In June 2018, the Mayors' Council approved their Phase Two Investment Plan which includes construction of rapid transit in Surrey and Vancouver

Advice/Recommendations

- Due to the unprecedented financial impacts of COVID-19 and resulting uncertainty, the Mayors' Council terminated Phase Two *Update* planning in April 2020. TransLink postponed work to develop the next Investment Plan until the extent of senior government support to help offset COVID losses, replenish reserves and fund new projects was known. TransLink stated that future planning was also dependent on greater stability in revenue tools and having an ability to forecast future financial

capacity.

- Recognizing the key role of transit in B.C.'s successful recovery, (particularly in the Lower Mainland), in June 2020, the Province, TransLink and the Mayors' Council entered into a Memorandum of Understanding (MOU) to collaborate on exploring options for TransLink to continue to deliver essential transit service during and after the pandemic period while avoiding service cuts that are not in the public interest and do not align with B.C.'s Restart Plan. Work under this MOU is intended to lead to a jointly-developed short and longer-term proposals for consideration and direction at the regional and provincial level.
- In September 2020, the federal and provincial governments committed to providing \$644 million of one-time funding to TransLink, cost-shared 50-50 basis through the Canada – B.C. Safe Restart Agreement. This immediate relief funding will help close TransLink's projected COVID-19-related operating funding gap in the 2020 and 2021 calendar years, as well as offset the additional revenue loss from reduced fare increases.

Advice/Recommendations: Intergovernmental Communications

- TransLink's revenue model has remained largely unchanged since its founding, with the current model still based on the three original dedicated taxes (fuel tax, parking tax, and property tax) in addition to transit fares. In 2019, transit revenue made up 39.7% and fuel tax, parking rights tax and property tax combined made up 51.9% of total revenue before loss on disposal and senior government funding.

Advice/Recommendations: Intergovernmental Communications

Decision required:

Advice/Recommendations

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Cabinet Confidences; Advice/Recommendations

INFORMATION NOTE

Issue:

BC Investment Management Corporation (BCI)

- Despite challenges created by the effect of COVID – 19 on markets, BCI has protected investments made on behalf of its clients which include the major provincial public sector pension plans.

Background:

- BCI is one of Canada's largest institutional investors, with assets under management (AUM) of \$171.3 billion. BCI invests assets on behalf of 31 public sector clients, including 11 pension plans as well as insurance funds and special purpose funds. BCI also manages treasury funds, sinking funds and investment portfolios for the Province and its some of its Crown corporations and agencies.
- BCI's mandate is to generate investment returns that help build financially secure futures for the beneficiaries of clients' funds, including over 630,000 pension plan members, 2.5 million workers (WorkSafe BC), and over 3 million drivers in B.C (ICBC reserve).
- BCI reflects a separation of government's policy/decision making authority from potential conflicts of interests from public sector investments. The structure and establishment of BCI to be independent from government increases its accountability and services to its clients, and better addresses and meets the challenges of a global fund manager.
- BCI is not part of the provincial government's financial reporting entity and therefore is neither part of the provincial budget nor public accounts. The Minister of Finance is the sole shareholder of BCI.
- The Board of Directors consists of a chair appointed by the Minister of Finance, and six directors, four of whom are appointed by our pension clients, and two by the Minister of Finance.
- BCI invests in a broad range of asset classes around the world and has established itself as an active and globally recognized investment manager. Client support for BCI has been strong over the years, and its structure has been replicated by peers such as the Alberta Investment Management Corporation and the Investment Management Corporation of Ontario.
- In 2015, BCI began its transformation to an active, in-house asset manager and bringing more of the investment decisions back to BC for greater control over strategy and risk management, while increasing portfolio diversification and becoming more cost effective.
- BCI employs 545 people in BC, and over 1,200 across Canada and the world through Quadreal Property Group, a BCI company established to manage client real estate and mortgage programs.

BCI Clients

- Pension plans are the largest client group and account for almost 78 per cent of assets. The three largest pension plan clients include the Municipal Pension Plan, the Public Service Pension Plan, and the Teacher's Pension Plan. The plans provide retirement income benefits to 630,000 people in BC.
- Insurance funds account for 20 per cent of assets. In 2020/21. ICBC insurance fund investment management was transferred to BCI with a value of \$17 billion, along with its

pension fund totalling \$1 billion. This group also includes WorkSafeBC and Credit Union Deposit Insurance Corporation.

- Special purpose funds (public trusts, endowments, and government bodies) make up the rest.
- BCI sets investment strategies that take into account client investment, needs, objectives, risk management requirements, and investment beliefs.

BCI 2019/20 Performance

- BCI's assets under management grew by \$17.8 billion in Fiscal 2020, reflecting investment gains of \$4.0 billion and \$13.8 billion of client net contributions. Despite the extraordinary societal and financial circumstances faced during the fourth quarter due to the COVID-19 global pandemic, BCI's portfolio remains strong.
- Annualized return for F2020 was 2.95%, net of all fees. The one-year return lagged the established benchmark by 0.3%, reflecting an underperformance of \$364 million. Since inception 20 years ago, BCI has generated an annualized return of 6.5%.
- As pension plans have long-term horizons, it's the long-term results that matter. Over BCI's 20-year history, through market downturns and material disruptions, BCI has outperformed the benchmark by 0.7 per cent on average per year, which represents \$12.1 billion of value-added activity. Our pension plan clients are, and remain, well-funded with funding ratios that vary from 103 – 129%.

COVID – 19 Actions

- Top priorities during the pandemic are protecting client assets and the safety of staff. The rapid and aggressive monetary and fiscal actions taken by central banks and governments have succeeded in avoiding a negative inflationary scenario that would have led to massive debt defaults and an economic depression. Despite the ensuing volatility in global markets, BCI clients remain well funded and in strong financial positions.
- BCI defensively positioned public markets portfolios with a bias towards quality which allowed many of the portfolios to outperform relative to benchmark despite the market volatility.
- Because of early planning BCI put in place to manage fund liquidity, no distressed sales were required to raise cash, allowing BCI investment teams to focus on identifying and acquiring assets at reduced prices during this period of market dislocation. BCI has reduced risk by concentrating portfolio holdings in high-quality assets. BCI had no material exposure to the sectors hardest hit by the pandemic, such as hotels, retirement and long-term care homes, airports, shopping malls, movie theatres, cruises, as well as the energy sector in general.

BCI Priorities 2020/21 – 2022/23 – 3 Year Business Plan

- For the first time, BCI has published a public version of its business plan in July 2020. The plan is comprised of three strategies:
 - Internalizing asset management: BCI will continue to expand its capability to source, negotiate, and manage investments internally (instead of using external managers).
 - Expanding and diversifying investment strategies: to meet clients' objectives, BCI will continue to review our investment strategies against a dynamic investment environment to capture new and diversified sources of returns across global markets.
 - Strengthening the base: BCI performance depends on talent, technology, information, processes, and strong governance. BCI's ability to implement new initiatives for the benefit of clients is dependent on acquiring, developing, and retaining a cohesive and

collaborative team. BCI will continue to grow and strengthen skills and capabilities of its staff.

Business Information; Advice/Recommendations

- BCI continues to recruit the talented professionals required as an in-house asset manager. BCI internal costs for the year reflect the remuneration associated with the net addition of 58 employees, as well as continued investment in BCI's information systems and technology.
- External direct and external indirect costs are still the majority of BCI fiscal 2019/20 costs. These are incurred when BCI appoints outside partners to execute specific investment strategies.

Business Information; Advice/Recommendations

INFORMATION NOTE

Issue:

Recent Legislative Amendments – Financial Administration and Budget Management - 2020

- There were two tranches of amendments to the *Budget Transparency and Accountability Act*; *Balanced Budget and Ministerial Accountability Act*; and *Financial Administration Act*.
- *Bill 4 – Budget Measures Implementation Act – Part B* mainly addresses budgetary and reporting changes to accommodate a change in the fixed election date from May to the 3rd Saturday in October. It also extends the date of presenting the annual *Budget and Estimates* by one week.
- *Bill 18 – Economic Stabilization Act – Part 5* mainly responds to impacts of the COVID – 19 pandemic and government’s relief and economic recovery efforts over the near term.

Background:

Bill 4 – Budget Measures Implementation Act – Part B
Budget Transparency and Accountability Act (BTAA)

- Sets a budget date on the fourth Tuesday in March following the October fixed election date (or roughly same date in other years) to allow for the budget and estimates development process.
- Provides clearer rules for budget and estimates presentation dates when an election is held on dates other than the third Saturday in October.
 - Allows a new incoming government up to 120 days to present a budget and estimates to the legislative assembly, if the budget and estimates have not already been presented.
 - If an election takes place after the estimates are presented to the legislative assembly, the new government continues to have 90 days to present a budget – same as before.
- New provisions are added to clarify the timelines in cases when there is a delay in the constitution of a government following an election. In cases where the first government after an election is replaced, the amendments ensure that the period of 120 days for tabling the estimates is available to both the first, as well as a subsequent government that may be constituted after an election.
- Allows for adjustments to release dates for quarterly reports and annual service plans and reports as a result of elections in a fiscal year.
 - A quarterly report is not required if the due date for such a report falls in the period from the date that an election is called to the date that is 40 days after a new government is in place.
 - A quarterly report is delayed up to 30 days if delay allows it to be included with the estimates.
 - A requirement for a budget consultation process in an election year is removed.
- Extends by one week the regular annual budget date for non-election years to the fourth Tuesday in February (previously the third week) to allow more time to complete due diligence and recognizes the impact of the Family Day holiday on the budget development schedule.
- Includes some technical and housekeeping amendments:

- A government organization will not be required to make public an annual service plan of that organization was established or included in the government reporting entity within 60 days before the main estimates are presented.
- Annual service plans for 2 or more government organizations may be consolidated, with the approval of the Minister of Finance, and the Minister of Finance will have authority to allow, and to request, a revised service plan for a ministry or a government organization.
- In election years, annual service plan reports and government's strategic plan report can be released up to 40 days after the new government is in place.

Balanced Budget and Ministerial Accountability Act (BBMAA)

- Updates and clarifies the rules around ministerial holdbacks in relation to change of government after an election. The ministerial holdbacks for an incoming government apply from the date that the government has passed a *Supply Act*.
- Restoration of holdbacks to outgoing ministers is based on the last quarterly report issued by the outgoing government, if the Public Accounts were not issued before the appointment of the incoming government.

Financial Administration Act (FAA)

- Extends the special warrant spending authority provisions while the legislature is not in session during an election year, from 90 days to 120 days after the constitution of a new government.
- Corresponding to the new provisions in the BTAA, the 120 period for the special warrant will apply to a first as well as a subsequent post-election government.
- Introduces a very limited short-term special warrant spending authority while the legislature is in session, to recognize the tabling of a budget and estimates on the last Tuesday of March. This helps ensure that limited funding remains available should an interim *Supply Act* not be enacted by March 31 and would only apply to address election year schedule impacts.

Bill 18 – Economic Stabilization Act – Part 5

Balanced Budget and Ministerial Accountability Act (BBMAA)

- Temporarily suspends the prohibition against presenting deficit budgets for the next three years where necessary, which include fiscal years 2021-22, 2022-23 and 2023-24.
- Given the unprecedented nature of COVID – 19, as well as uncertainties that remain here and around the world, it is not possible at this time to provide forecasts with any certainty as to when full economic recovery will occur or when government revenues will return to normal levels.
- Consistent with the approach taken in 2009 with the world-wide financial crisis and will be annually reviewed as to the need for this suspension as government moves through economic recovery.

Budget Transparency and Accountability Act (BTAA)

- Amended to temporarily suspend the prohibition against supplementary estimates when there is a forecast of government direct operating debt. The amendment will enable the government to present supplementary estimates, where necessary, for the 2020-21 to 2023-24 fiscal years, as the government continues to work through relief and economic recovery efforts
- Despite the success achieved in reducing the number of infections in BC, COVID – 19 will continue to be a major concern. Continued use of supplementary estimates, should it become necessary like in March of this year, will help to provide additional funding to

support critical services that people depend on as well as to support ongoing economic recovery if needed.

- Government remains committed to again eliminating its operating debt and will do so again once it has recovered from the economic impacts of the pandemic.
- Government will annually review the need for this suspension through economic recovery.

Financial Administration Act (FAA)

- Provides clarity in the use of special warrants when disasters or emergencies occur, or when they are anticipated to occur when the legislature is not sitting.
 - Adds a definition for “state of emergency” and provides clarity for special warrants if an expenditure is required during or after a state of emergency, or if a disaster or emergency occurs or is anticipated.
- In March 2020, it became necessary for the House to take extraordinary measures and arrange an urgent modified session at the height of the COVID – 19 pandemic distancing requirements.
- The amendments will provide more clarity in the existing legislation so that, going forward, the government can use the special warrants provision to deal with a disaster or emergency when the legislature is not in session to provide for needed spending authority to maintain critical services.
- Full reporting and accountability are maintained as special warrants are time-limited; transparently approved by the Lieutenant Governor in Council; and they are scrutinized at the next sitting of the legislature.

INFORMATION NOTE

Issue:

ICBC Finances

- At this time, there are no changes to ICBC's bottom-line forecast for 2020/21 – it remains at net income of \$86M, as published in *Budget 2020*. Government and ICBC remain on track to introduce a new model of Enhanced Care Coverage ("ECC"), effective May 1, 2021.

Background:

Bottom Line Results – 2019/20

- ICBC finished up 2019/20 with a \$376M loss compared to a budget loss of \$50M.
- The effect of COVID - 19 significantly impacted ICBC's investment valuations at March 31, 2020. Advice/Recommendations

Advice/Recommendations

However, this was partially offset by lower claims costs resulting from fewer accidents in the last quarter, in part to COVID – 19 closures, safe distancing measures and fewer vehicles on the road.

Budget 2021 Forecasts – 2021/22 – 2022/23

- Led by the Attorney General, the government is transforming ICBC by removing legal costs from the system, to reduce rates and substantially increase care benefits.

Table 1.3 Revenue by Source

(\$ millions)	Updated Forecast 2019/20	Budget Estimate 2020/21	Plan 2021/22	Plan 2022/23
ICBC	(91)	86		

- ICBC's forecast for 2020/21 and beyond consists of positive net incomes that include the estimated impacts of the following:
 - A continuation of the positive effects of product reform changes introduced April 1, 2019;
 - Introduction of legislation to create a new care-based system, which would take effect on May 1, 2021 – the single largest policy shift in the corporation's history;
 - Introduction of legislative measures to improve access to justice, which also have a resultant impact of reducing legal costs;
 - A 0% basic rate change effective April 1, 2020; and
 - The continuing effects of higher costs of large prior year bodily injury claims, offset by a continuation of the recent declining crash frequency trend.

Advice/Recommendations;
Government

2020/21 Update – ICBC Q1 results (April – June 2020)

- Table 1.7 from the Q1 report shows that net income of \$300 million for the three months ended June 30, 2020 was better than plan by \$331 million and \$245 million higher than the same period in 2019/20.

Table 1.7 2020/21 Revenue by Source

(\$ millions)	Year-to-Date to June 30			Actual 2019/20
	Budget	2020/21 Actual	Variance	
Commercial Crown corporation net income				
ICBC	(31)	300	331	55

Note: ICBC's own First Quarter results show net income of \$311M after including results of a non-controlled partnership interest of \$11M. While this is appropriate for ICBC own IFRIS accounting rules, under the Province's PSAB accounting rules, the results of non-controlled interests are excluded from the bottom line.

- The early part of the first quarter was still under the restrictive lockdown of the provincial state of emergency in response to the COVID global pandemic.
- Lower premium revenue resulting from customer cancellations and reductions in coverages during the COVID – 19 lockdown period, as well as fewer new policies, was more than offset by lower claims costs resulting from fewer crash and injury claims due to lower vehicle activity.
- ICBC’s investment income was stronger than plan during Q1. Global equity investment markets rebounded sharply since the end of fiscal 2019/20, and lower interest rates led to realization of higher than anticipated bond gains. Activity also included disposition of real estate.

ICBC Q1 Revised Forecast (2020/21)

- Table 1.7 from the Q1 Report shows that there are no changes to ICBC’s bottom-line forecast for 2020/21.

Table 1.7 2020/21 Revenue by Source

(\$ millions)	Full Year			Actual 2019/20
	Budget	Forecast	Variance	
Commercial Crown corporation net income				
ICBC	86	86	-	(376)

- COVID – 19 has had wide ranging impacts on ICBC, both positive and negative, and to date it is too early to tell how it will affect ICBC's 2020/21 net income and future forecasts. ICBC continues to monitor developments:
 - ICBC is seeing fewer claims, but also reduced premium revenue due to fewer new policies, lower levels of policy renewals, reduction of coverages and an increase in cancellations. ICBC also introduced customer assistance measures which reduce revenues.
 - Uncertainty and volatility in global investment markets will likely continue to negatively impact the bottom line. Currently, all of ICBC’s key investment portfolios are managed by BC Investment Management Corporation.
 - Unfavourable impacts are expected to be partially offset by a reduction in the frequency of claims due to fewer crashes resulting from fewer cars on the road in the First Quarter.
- Product reform is still in its early days, but early indicators show it is delivering anticipated benefits.
- Government and ICBC remain on track to introduce a new model of Enhanced Care Coverage ("ECC"), effective May 1, 2021. ECC will significantly improve the affordability of public auto insurance, moving from a tort model to an ECC system which has a more robust care-based model with substantially increased accident benefits for injured customers.

Advice/Recommendations; Legal Information

- In October 2019, the BC Supreme Court ruled that changes to the Rules of Court limiting the number of experts and expert reports to be unconstitutional ("Crowder decision"). Since then, the government has been working on strategies to mitigate this impact. Advice/Recommendations

Advice/Recommendations

COVID – 19 Response, Economic Recovery Plan and Election Commitments

- In response to COVID – 19, ICBC undertook a number of temporary relief measures Advice/Recommendations
 - Waiving the \$30 fee when you cancel insurance;
 - Waiving the \$18 plating fee when you choose to reinstate the policy on your vehicle;
and
 - Suspension of insurance for fleet vehicle customers.
- A public commitment suggests a return to drivers of any profits earned by ICBC during the pandemic. The rebate would come on May 1, the same time as a planned 20% reduction in rates.

INFORMATION NOTE

Issue:

Status of major Liquefied Natural Gas (LNG) projects

Background:

LNG Canada (status):

- On October 1, 2018, LNGC made a positive Final Investment Decision (FID) to construct an LNG export facility in Kitimat, BC. At \$40 billion, the project represents the largest private sector investment in Canadian history and is expected to generate approximately \$23B in provincial revenue over 40 years under assumptions. As part of getting to the FID, government developed an investment fiscal framework for LNG investment. The framework applied to LNGC provided for:
 - Electricity at BC Hydro industrial rates and some supporting transmission infrastructure;
 - Provincial Sales Tax (PST) exemptions on capital construction, replaced with an Operating and Performance Payments Agreement over the project life.
 - Natural gas income tax credit: qualifying corporations eligible for credit calculated at 3% of the cost of natural gas and can reduce effective BC corporate income tax rate from 12% to 9%; and
 - Clean Incentive Program: up to 100% of incremental carbon tax paid over \$30/metric tonne.
- LNGC continues to hit construction milestones and is on track to export LNG by mid-decade, and it has benefit agreements in place with impacted the local/neighboring First Nations (Kitselas, Haisla, Gitga'at, Gitxaala and Kitsumkalum).
- At the end of August 2020, over 3,000 workers were employed at the LNG site in Kitimat, including approximately 800 local workers. Of the total, over 260 workers identified as Indigenous. To date, LNGC has awarded more than \$2B in contracts to Indigenous companies; \$246M in contracting for local companies; and \$463M to the remainder of BC (for a total \$2.995B).

Coastal GasLink (CGL) status:

- The CGL project is a 670-kilometre pipeline that will deliver natural gas from northeastern BC to the LNGC facility in Kitimat. Work commenced in early 2019 and mainline pipeline construction is now underway with completion is currently expected in 2023. As of September 2020, the project is just over 26% complete.
- The Province has pipeline benefits agreements (PBAs) with 17/20 First Nations along the pipeline right-of-way. Business Information; Advice/Recommendations

Business Information; Advice/Recommendations

Woodfibre LNG Status:

- Woodfibre LNG (Woodfibre) is a proposed facility on privately owned land in Howe Sound and is about 1/7 the size of LNG Canada. The project has applied to extend and amend its Environmental Assessment Certificate (expires October 26, 2020) to allow floating workforce accommodation at the project site. Federal and Squamish Nation environmental approvals have been secured.
- Woodfibre would receive feedstock gas via the existing pipeline connecting northeast BC to the lower mainland and then via a new pipeline to be constructed by Fortis. Liquefaction would be electricity driven., relying on the BC Hydro grid.

Business Information; Advice/Recommendations

Issue/Opportunity:

Activities in Wet'suwet'en territory:

- Direct action occurred in certain areas of Wet'suwet'en territory. In 2019, the Supreme Court of BC granted CGL an injunction to allow it to construct the pipeline in certain areas of Wet'suwet'en territory without interference.
- An MOU was signed among the Province; Wet'suwet'en Hereditary Chiefs; and the federal government and recognizes the Wet'suwet'en have rights and title throughout the Yintah (territory). It also sets out a process to negotiate an agreement. Business Information; Advice/Recommendations; Intergovernmental Communications

Indigenous support: Pipeline equity

Business Information; Advice/Recommendations; Intergovernmental Communications

Social/economic impacts:

- LNGC and CGL have required plans to manage socio-economic effects directly associated with the projects. These plans include adaptive management. Due to the size and scale of the projects, there are indirect effects that require provincial oversight and services.
- Some local governments and Indigenous nations have raised concerns about social/economic impacts. Ministries across government are identifying, evaluating and

- monitoring possible effects and the appropriate mitigation measures.
- In May 2020, the Province announced the \$25M BC Northern Healthy Communities Fund (being delivered through the Northern Development Trust) that will be available to local governments, First Nations and non-profits to support local delivery of health and mental care, housing and more.

Advice/Recommendations: Intergovernmental Communications

INFORMATION NOTE

Issue:

- Canada-British Columbia Safe Restart Funding for BC Ferries

Background:

- The COVID-19 pandemic has caused a significant decline in ferry traffic, resulting in anticipated net revenue losses for BC Ferries of approximately \$280 million over the current four- year performance term (Performance Term 5 - 2020/21 to 2023/24) of the Coastal Ferry Services Contract.
- BC Ferries was a former crown corporation, now owned by the BC Ferry Authority, an independent, no-share capital corporation created under the *Coastal Ferry Act* (British Columbia). BC Ferries is subject to the *Coastal Ferry Act*, regulated by the BC Ferries Commissioner, and operates outside the Government Reporting Entity.
- In the Spring of 2020, a task force was established to develop a Planning Framework to determine the anticipated impacts of the pandemic. The task force includes staff of the Ministries of Transportation and Infrastructure and Finance, the Chairs of BC Ferries and the BC Ferry Authority and is supported by BC Ferries' management.
- In the summer of 2020, Canada and British Columbia announced that they would provide up to \$540 million each (or over \$1 billion in total) to transit operators in British Columbia, including BC Ferries, to offset the impacts of the COVID-19 pandemic.

Issue/Opportunity:

- On September 18, 2020, British Columbia and Canada announced that BC Ferries would receive one-time funding of \$308 million to offset the impacts of the COVID-19 pandemic.
- The Province has drafted a contribution agreement, to be signed by the Deputy Minister of Transportation and Infrastructure, to convey the Canada – British Columbia Safe Restart funding.
- The contribution agreement includes a number of conditions, the most important being that: 1) BC Ferries limit the average fare increase over the next three years to 2.3% per year, 2) the company continue to provide discretionary sailings above contract levels on the minor and northern routes for the next three years ^{Advice/Recommendations}

^{Advice/Recommendations} , and 3) BC Ferries will not seek to increase fares or decrease service levels for the term of the agreement which expires March 31, 2024.

- BC Ferries has received a draft of the contribution agreement but has not yet signed.
- The Ministry of Transportation and Infrastructure will continue to work with BC Ferries to monitor the traffic and financial position of the company going forward to ensure that ferry services meet the needs of British Columbians.

INFORMATION NOTE

Issue:

Cabinet Confidences; Advice/Recommendations; Intergovernmental Communications

- This issue is being raised as a 60-day issue within Ministry of Citizens' Services

Background:

Cabinet Confidences; Advice/Recommendations; Intergovernmental Communications

Issue/Opportunity:

Ministry of Citizens' Services has identified the follow decision points:

Cabinet Confidences; Advice/Recommendations; Intergovernmental Communications

INFORMATION NOTE

Issue:

Summary of Ministry responsibilities - Oct 15, 2020

Advice/Recommendations

Background:

- The BC Public Service is divided into ministries. Each ministry is responsible for a specific area of public policy, government function or service delivery.
- Ministries may also be responsible for certain Crown corporations, agencies, boards, commissions and other affiliate organizations for which the Province appoints certain board members or has significant operational or oversight interests and responsibilities.
- Appendix 1 provides a listing of ministries and responsibilities as of **October 15, 2020**, prior to the provincial election on October 24, 2020. Advice/Recommendations

Advice/Recommendations

Appendix 1

Ministry Responsibilities – October 15, 2020

The BC Public Service is divided into ministries. Each ministry is responsible for a specific area of public policy, government function or service delivery.

Ministries may also be responsible for certain Crown corporations, agencies, boards, commissions and other affiliate organizations for which the Province appoints certain board members or has significant operational or oversight interests and responsibilities ¹.

Following is the revised summary of ministry responsibilities as of October 15, 2020:

OFFICE OF THE PREMIER

General Responsibilities

- Cabinet Operations, Executive Council and Committees
- Corporate planning
- Intergovernmental Relations Secretariat
- Strategic policy and legislative priorities

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

N/A

MINISTRY OF ADVANCED EDUCATION, SKILLS AND TRAINING

General Responsibilities

- Aboriginal post-secondary education and training policy framework and action plan
- Adult education
- Colleges and other public post-secondary institutions and organizations
- Post-secondary financing, policy, accountability and quality assessment
- Private career training institutions
- Student services including Student Aid BC financial assistance; mental health counseling and referral; and Find Your Fit
- Universities
- Workforce innovation and skills training
 - Cross-ministry labour market priorities co-ordination
 - Education Planner BC
 - Industry and trades training policy
 - Sector labour market outlook and partnerships
 - WorkBC.ca and WelcomeBC.ca information sites

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Associations of Professional Architects and Chartered Professional Accountants
- BCcampus
- BC Electronic Library Network
- Boards of Examiners/Associations/Societies – landscape architects and music teachers
- British Columbia Council on Admissions and Transfer
- British Columbia Council for International Education
- Commissioner for Appeals – *Private Training Act*
- Degree Quality Assessment Board
- Industry Training Authority
- StudentAid BC Program Appeal Committee
- University, college and institutes, and respective boards of governors

MINISTRY OF AGRICULTURE

General Responsibilities

- Agriculture, seafood and food processing policy and business development
- Agrifood and seafood domestic and international marketing and trade
- BC Food Hub Network, Grow BC, Feed BC, and Buy BC framework
- Business risk management, including Production Insurance special account administration
- Commercial fisheries and fish processing
- Food safety modernization, quality inspection and consumer protection
- HealthBC Chief Veterinary Officer
- Land use planning; and environmental farm and farm emergency response planning
- Licensing, inspection and standards for slaughter facilities
- Marine fisheries and seafood industry development and licensing
- Plant and animal health and welfare
- Premier's Food Security Task Force

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Agricultural Land Commission
- BC Farm Industry Review Board
- BC Society for the Prevention of Cruelty to Animals
- College of Veterinarians of BC
- Various marketing boards and commissions
- Wild Salmon Advisory Council

MINISTRY OF ATTORNEY GENERAL

General Responsibilities

- Access to justice services
- Administrative law policy
- Civil and family law policy
- Court and sheriff services, and administration
- Criminal justice and prosecution services
- *Crown Proceeding Act* administration
- Dispute Resolutions Office
- Family justice and mediation services
- Family maintenance and location services
- First Nations Métis justice strategies
- Gaming policy, enforcement and responsible gambling strategy
- ICBC transformation
- Independent Investigations Office standards development
- Judiciary
- Justice data
- Justice transformation
- Legal aid
- Legal services to government
- Liquor and control and licensing
- Protection and promotion of human rights and poverty law services
- Provincial anti-money laundering strategy
- Public Guardian and Trustee special account administration
- Public inquiries (e.g. money laundering in BC)
- Public legal education and information

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Applied Science Technologists and Technicians of BC
- Association of BC Forest Professionals
- Association of Professional Engineers and Geoscientists of BC
- BC Family Maintenance Agency
- BC Ferry Commission
- BC Human Rights Commissioner
- BC Human Rights Tribunal
- BC Institute of Agrologists
- BC Law Institute
- BC Lottery Corporation
- BC Review Board
- BC Supreme Court Rules Committee
- BC Utilities Commission
- British Columbia International Commercial Arbitration Centre
- Building Code Appeal Board
- Civil Resolution Tribunal
- College of Applied Biology

- Community Care and Assisted Living Appeal Board
- Employment Standards Tribunal
- Environmental Appeal Board
- Financial Services Tribunal
- Forest Appeals Commission
- Health Professions Review Board
- Hospital Appeal Board
- Independent Investigations Office
- Industry Training Appeal Board
- Insurance Corporation of BC
- Judicial Council of the Provincial Court of BC
- Labour Relations Board
- Law Foundation and Law Society of BC
- Legal Services Society
- Liquor Distribution Branch
- Mental Health Review Board
- Notaries Public Foundation and Board of Examiners
- Office of the Human Rights Commissioner
- Oil and Gas Appeal Tribunal
- Property Assessment Appeal Board
- Public Guardian and Trustee of BC
- Safety Standards Appeal Board
- Surface Rights Board
- Workers' Compensation Appeal Tribunal

MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT

(Including Minister of State for Child Care)

General Responsibilities

- Adoption services
- Child care financial assistance and services, including Childcare BC
- Child safety, family support and children-in-care services
- Child and youth mental health services
- Children and youth with special needs services
- Columbia River Treaty policy administration
- Community-based child and youth mental health
- Early childhood development
- Foster care
- Indigenous child and family development
- Provincial Office of Domestic Violence
- Service delivery administration, policy, integrated case management, quality assurance and other system supports
- Youth justice, custody and forensic psychiatric services

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- BC College of Social Workers
- Columbia Basin Trust (including Waneta expansion subsidiaries)
- Columbia Power Corporation
- Provincial Child Care Council

MINISTRY OF CITIZENS' SERVICES

General Responsibilities

- BC OnLine
- BC procurement strategy and concierge program
- BC Registry Services (corporate; personal property; manufactured home; identity and credential management; and business registry)
- Chief Records Officer and corporate information and records management
- Connectivity in BC ²
- Digital framework
- Freedom of Information and Privacy Protection policy and administration
- Government real estate and accommodation services
- Information communication technologies (e.g. cellular and other telecommunication services)
- Office of the Chief Information Officer
- Procurement and supply services, including Queen's Printer
- Properties management and real estate services, including CleanBC government buildings program
- Service BC
- Strategic Partnerships Office
- Strategic technology infrastructure planning; Orgbook BC; Government Digital Experience; network services/Network BC; data/device services, security policy; data communications; application hosting and other services

Advice/Recommendations

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

N/A

MINISTRY OF EDUCATION

General Responsibilities

- Curriculum, assessment and reporting
- Independent and offshore schools
- K-12 funding and financial reporting
- K-12 standards and accountability
- Libraries
- Literacy and official languages in education
- Open School BC
- Public school capital and seismic program
- Scholarships
- Scholarships, grants, bursaries and awards, including BC Training and Education Savings Program special account grants
- Special needs inclusive education
- StrongStart BC early learning centres
- Teacher certification, regulation and administration of *Teachers Act* Special Account

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- BC Teachers' Council
- Commissioner for Teacher Regulation
- Disciplinary and Professional Conduct Board
- Education Advisory Council
- Independent schools
- Independent School Teaching Certificate Standards Committee
- School districts

MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES

General Responsibilities

- BC geological survey
- Clean energy vehicle program
- Electricity and alternative energy development policy
- Energy conservation and efficiency
- Innovative Clean Energy Fund special account administration
- Liquefied natural gas (LNG) development
- Mineral and coal exploration, development and tenuring
- Mines and mineral resources competitiveness, policy, permitting and compliance
- Mines health, safety and enforcement
- Oil and gas pipelines and strategic initiatives including First Nations engagement
- Oil and gas policy
- Renewable and low carbon intensity fuels policy
- Renewable energy development
- Upstream oil/natural gas development

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Assayer Certification Board of Examiners
- BC Oil and Gas Commission
- British Columbia Hydro and Power Authority, including Powerex and Powertech Labs subsidiaries, and Site C Project

MINISTRY OF ENVIRONMENT AND CLIMATE CHANGE STRATEGY

(Including Parliamentary Secretary to the Minister of Environment and Climate Change Strategy)

General Responsibilities

- Air, land and water quality and standards
- BC Parks, Park Enhancement Fund special account administration, and protected areas management
- CleanBC for industry
- Climate Action, Climate Leadership Plan, climate change accountability, preparedness and adaptation strategies
- Conservation officer service
- Environmental emergency response
- Environmental monitoring and state of environment reporting
- Invasive marine species and integrated pest management
- Pollution prevention and waste management
- Species and ecosystem policy, science and information management
- Sustainable Environment Fund special account administration
- Water and air monitoring and reporting
- Water use policy, science and information management

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Climate Solutions and Clean Growth Advisory Council
- College of Applied Biology
- Environmental Assessment Office
(including information, innovation and technology for resource ministries)
- MacKenzie River Basin Board

MINISTRY OF FINANCE

(Including Parliamentary Secretary to the Minister of Finance for Gender Equity)

General Responsibilities

- BC Prosperity Fund special account administration
- Bonding and other financial securities
- Capital planning and management
- Community Benefits Office and Community Benefits Framework policy
- Corporate accounting services
- Crown Agencies and Board Resourcing Office
- Economic and fiscal analysis, policy, planning and management
- Employee benefits and Long-Term Disability Fund special account administration
- Forestry, mines, oil and gas revenue assessments and collections
- Gender Equity Office;
- Government Communications and Public Engagement (including Confidence and Supply Agreement Secretariat)
- Homeowner grants administration
- Housing Priority Initiatives special account
- Insurance and Risk Management special account administration
- Internal audit and advisory services
- Loan and accounts collection and management
- Long Term Disability Fund special account administration
- Office of the Comptroller General
- Provincial Treasury cash and debt management
- Regulation of financial services, capital markets, occupational pension plans, real estate services, societies and other matters affecting financial interests and corporations
- Tax assessment, collection, enforcement and administration, including property, income and consumer taxes, as well as rebate and benefit programs
- Tax policy, major federal transfers and Canada Pension Plan
- Treasury Board Staff

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Auditor Certification Board
- BC Financial Services Authority
- BC Infrastructure Benefits Inc.
- BC Pension Corporation
- BC Public Service Agency
- BC Securities Commission
- British Columbia Investment Management Corporation (BCI)
- Credit Union Deposit Insurance Corporation
- Government House
- Infrastructure BC (formerly Partnerships BC)
- Insurance Council of British Columbia
- Office of the Superintendent of Real Estate
- Public Sector Employers' Council and provincial public sector employer's associations
- Real Estate Compensation Fund Corporation
- Real Estate Council and Real Estate Foundation of British Columbia

- Real Estate Errors and Omissions Insurance Corporation

MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT
(Including Parliamentary Secretary to the Minister of Forests, Lands, Natural Resource Operations and Rural Development)

General Responsibilities

- Aboriginal consultation and coordination
- Angling, hunting and trapping licensing and permitting
- Aquaculture tenuring
- Archaeology policy, permitting and conservation of historic places
- Backcountry recreation, sites and trails
- BC Timber Sales special account administration
- Coast Forest Sector Revitalization Initiative and Forests employment program (BC Interior mill closures/curtailments)
- Community transition and adjustment services
- Crown land allocations, authorizations, investment strategies, restoration, contaminated site management and Crown Land special account administration
- Economic and community response to mountain pine beetle
- Drought management
- Fish, wildlife and habitat management
- Flood management, dam and dyke safety and regulation
- Forests for Tomorrow
- Forests, grazing and range authorizations and stewardship policy
- Forest health, enhancement planning and stewardship policy, including Forest Stand Management Fund special account administration
- Forest tenures, pricing, competitiveness and innovation
- FrontCounter BC
- Indigenous relations
- Invasive plants and species
- Marine and land use planning and implementation
- Office of the Chief Forester
- Provincial maps and air photos
- Regional economic and rural development
- Resorts and alpine ski developments
- Resource management compliance and enforcement
- Resource roads and bridges
- Rural BC Secretariat
- Softwood lumber trade
- Timber supply, inventory and tree improvement
- Water use planning and authorizations
- Wildfire response management and preparedness

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Associations of BC Land Surveyors and Forest Professionals
- BC Land Title and Survey Authority

- Coastal Logging Equipment Support Trust
- Creston Valley Wildlife Management Authority
- Forest Enhancement Society of BC
- Forest Practices Board
- Freshwater Fisheries Society of BC
- Habitat Conservation Trust Foundation
- Integrated Cadastral Information Society
- Muskwa-Kechika Advisory Board
- Private Managed Forest Land Council
- Rural Advisory Council
- Skagit Environmental Endowment Commission
- Timber Export Advisory Committee
- Wildlife Advisory Council

MINISTRY OF HEALTH

General Responsibilities

- Acute care
- Assisted living and residential care
- Community and home support services
- Coronavirus (COVID-19) response
- Diagnostic services
- End-of-life and palliative care
- Health facilities policy and planning
- Health human resource planning
- Health information management and technology
- HealthLinkBC
- Health regulation and licensing
- Health promotion, protection and preventative health
- Health special account for health care administration, research, promotion and education services
- Health system governance and financial management
- Health system performance analytics, management and reporting
- Hospital and emergency services
- Leadership and support for the health service delivery system
- Medical Services Plan
- Mental health and substance use services
- PharmaCare
- Primary and community care
- Public health
- Vital statistics agency

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Assisted Living Registrar
- BC Emergency Health Services and BC Ambulance Service
- BC Patient Safety and Quality Council
- Data Stewardship Committee
- Drug Benefit Council
- Emergency Medical Assistants Licensing Board
- Forensic Psychiatric Services Commission
- Health Care Practitioners Special Committee for Audit Hearings
- Health Shared Services BC
- Medical Services Commission
- Office of the Provincial Health Officer
- Office of the Seniors Advocate
- Patient Care Quality Review Boards
- Professional Colleges – medical and health services
- Provincial Health Authorities and First Nations Health Authority

MINISTRY OF INDIGENOUS RELATIONS AND RECONCILIATION

General Responsibilities

- Aboriginal policy and co-ordination, including consultation and accommodation policy
- Crown/First Nations/Indigenous peoples relationships
- First Citizens' Fund special account administration
- First Nations Clean Energy Business Fund special account administration
- Implementation of the *Declaration on the Rights of Indigenous Peoples Act*
- Negotiation and implementation of treaty and other social, economic and reconciliation agreements
- Strategic partnerships, initiatives and community development

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- BC Treaty Commission
- First Peoples' Heritage, Language and Culture Council
- Haida Gwaii Management Council
- Minister's Advisory Council on Indigenous Women
- New Relationship Trust

MINISTRY OF JOBS, ECONOMIC DEVELOPMENT AND COMPETITIVENESS

(Including Minister of State for Trade and Parliamentary Secretary for Technology)

General Responsibilities

- #BCTECH Strategy
- BC Jobs Plan
- BC Knowledge Development Fund administration
- BC Skills for Jobs Blueprint
- BC Stats
- BC Tech Fund
- Career Paths for Skilled Immigrants
- Centre for Data Innovation/integrated data office; DataBC/enterprise data systems
- Connectivity and distributed growth²
- Credential Assessment Improvement Fund development
- Economic development policy, sector analysis, strategies and engagement
- Export market development and Export Navigator Program
- International and internal trade policy and dispute resolution
- International missions' coordination
- International research, strategies, marketing and investment attraction
- International trade and investment offices and representatives
- Investment capital
- Major Investments Office
- New West Partnership and other internal trade agreements
- Northern Development Fund special account administration
- Provincial Nominee Program
- Research, innovation, technology, and commercialization policy and administration
- Small Business Accord
- Smart regulation, regulatory competitiveness and reform, and BizPal
- WelcomeBC
- Workforce development and provincial immigration policy and programs
- Venture capital program

Advice/Recommendations

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Aboriginal Business and Investment Council
- AdvantageBC International Business Centre
- BC-Alcan Northern Development Fund
- BC Immigrant Investment Fund Ltd. and BC Renaissance Capital Fund Ltd.
- BC Innovation Council
- British Columbia Trade and Invest Ltd.
- Emerging Economy Task Force
- Forestry Innovation Investment Ltd. (FII Ltd)
- HQ Vancouver
- Indigenous Business and Investment Council

- Innovate BC
- Nechako-Kitimat Development Fund Society
- New West Partnership Trade Agreement Committee
- North Island Coast Development Initiative Trust (*Island Coastal Economic Trust*)
- Northern Development Initiative Trust
- Premier's Chinese-Canadian Community Advisory Committee
- Premier's Technology Council
- Premier's Women's Economic Council
- Quantum Algorithms Institute
- Small Business BC
- Small Business Roundtable
- Southern Interior Development Initiative Trust
- Vancouver International Maritime Centre

MINISTRY OF LABOUR

General Responsibilities

- Employment relations and standards
- Labour policy and relations
- Occupational health and safety
- Supports for forestry workers
- Temporary foreign worker protection and recruitment licensing
- Workers compensation policy

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Canadian Centre for Occupational Health and Safety
- Collective Agreement Arbitration Bureau Joint Advisory Committee
- Fair Wages Commission
- Workers' and Employers' Advisers Offices
- WorkSafeBC

MINISTRY OF MENTAL HEALTH AND ADDICTIONS

General Responsibilities

- Cross-agency coordination and collaboration through the Overdose Emergency Response Centre and Community Action Teams
- Mental health and substance use support
- Opioid Secretariat/Task Force
- Pathway to Hope; Take Home Naloxone; and Facility Overdose Response Box programs
- Policy development
- Program evaluation
- Research and monitoring

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

N/A

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

(Including Parliamentary Secretary for Translink)

General Responsibilities

- Affordable housing initiatives
- Building policy and *Energy Step Code*
- Community charters and other local government policy and legislation
- Community gaming grants
- Integrated transportation and development strategy (with MOTI)
- Homes for B.C: A 30 Point Plan for Housing Affordability in British Columbia
- Housing and homeless policy
- Housing Endowment Fund special account administration
- Housing, rental and shelter financial assistance and supports
- Housing Working Group and Secretariat
- Investing in Canada Infrastructure Plan – federal/provincial Community Culture and Recreation; Northern Communities; CleanBC Communities Fund; and Environmental Quality Fund administration
- Local government funding transfers and services
- Local government planning and infrastructure financial assistance
- Property assessment policy and support services
- Residential tenancy and landlord-tenant dispute resolution
- Safety standards and inspections including the *Fire Code*
- Strata housing and property policy
- Transition houses
- TransLink planning, policy and legislation
- University Endowment Lands special account administration

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Audit Council of the Auditor General for Local Government
- BC Assessment Authority
- BC Housing Management Commission
- British Columbia Safety Authority (Technical Safety BC)
- Board of Examiners (local governments)
- Building Policy Advisory Committee
- Islands Trust Fund Board
- Office of the Auditor General for Local Government
- Property Assessment Review Panels
- Provincial Rental Housing Corporation
- TransLink
- Union of BC Municipalities (UBCM), local governments and Municipal Financing Authority

MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL
(Including Parliamentary Secretary for Emergency Preparedness)

General Responsibilities

- BC Coroners Service
- Cannabis policy, licensing and enforcement
- Civil Forfeiture and Criminal Asset Management special accounts administration
- Consumer protection
- Correctional services and Corrections Work Program special account administration
- Crime prevention
- Criminal record checks
- Emergency Management BC and disaster financial assistance
- Flood protection and planning
- Office of the Fire Commissioner
- Policing, policy and standards
- Private security industry regulation
- Protection order registry
- Provincial emergency planning and preparedness, mitigation, prevention, response and recovery
- RoadSafetyBC
- Security industry licensing
- Socio-economic disaster risk reduction
- Victim services and Victim Surcharge special account administration

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Combined Forces Special Enforcement Unit and Organized Crime Agency of BC
- Consumer Protection BC
- E-Comm
- Motor Vehicle Sales Authority of BC
- Police Boards

MINISTRY OF SOCIAL DEVELOPMENT AND POVERTY REDUCTION

(Including Parliamentary Secretary for Poverty Reduction)

General Responsibilities

- Accessibility
- Adult community living services
- BC Bus Pass Program for seniors and low income
- Community employment partnerships
- Employment programs, WorkBC employment centres and Labour Market Development Agreement
- Healthy Kids program
- Homelessness Action Plan
- Income assistance and supports
- Provincial disability strategy
- Re-Imagining Community Inclusion Initiative
- Seniors supplement
- Social innovation and partnerships
- Temporary, disability and supplementary assistance and supports
- TogetherBC poverty reduction strategy
- Transition Planning for Youth & Young Adults

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Community Living BC
- Employment and Assistance Appeal Tribunal
- Expert Advisory Panel on Specialized Population (Employment Programs of BC)

MINISTRY OF TOURISM, ARTS AND CULTURE

General Responsibilities

- Aboriginal tourism
- Arts and cultural development, including BC Arts and Culture Endowment Fund special account administration
- Film, television and digital policy
- Multiculturalism
- Mountain resort initiative, municipal and regional district tax and Tourism Events programs
- Sports development, including Physical Fitness and Amateur Sport Fund special account administration
- Tourism strategy, including strategic framework for tourism in BC

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- BC Arts Council
- BC Games Society
- BC Pavilion Corporation
- Chinese Canadian Museum Society of BC
- Creative BC
- Destination British Columbia
- Knowledge Network Corporation
- Legacy Initiatives Advisory Council
- Medal of Good Citizenship Committee
- Minister's Tourism Engagement Council
- Multicultural Advisory Council of BC
- Office of the BC Athletic Commissioner
- Royal BC Museum
- viaSport British Columbia
- Whistler Sport Legacies Society and 2010 Games Operating Trust

MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE

General Responsibilities

- Access to Build Canada Fund
- Active Transportation Strategy
- CleanBC heavy-duty vehicle efficiency program
- Commercial vehicle safety, inspections, standards, licensing and permits
- Container trucking regulation
- Highway construction, maintenance and operations
- Infrastructure and infrastructure grants for BC transit, TransLink and highways
- Integrated transportation and development strategy
- Major capital project management and infrastructure partnerships
- Passenger Transportation Registrar and licensing (including ride-hailing regulation)
- Ports, airports and Pacific Gateway strategy and development
- Provincial Rail Safety Registrar
- Public transit and coastal and inland ferries
- Rural subdivision approvals
- Transportation planning and policy, except for TransLink legislation and governance

Crown Corporations, Agencies, Boards, Commissions and Other Key Organizations

- Airport and Port Authorities
- BC Ferry Authority
- BC Railway Company and BC Rail Properties Ltd.
- BC Transit Corporation
- BC Transportation Financing Authority
- Office of the BC Container Trucking Commissioner
- Passenger Transportation Board
- Victoria Regional Transit Commission
- Transportation Investment Corporation

Notes:

- ¹ Ministries may have direct responsibilities for certain Crown corporations, agencies, boards, commissions or other organizations through legislation or provincial ownership. Ministries may also have responsibility for key joint initiatives with other jurisdictions or external organizations which the Province does not own or control. In certain cases, ministries may appoint representatives to such entities under specific legislation, through the Province's Crown Agencies and Board Resourcing Office (CABRO) or other authorities. The lists include active organizations identified by CABRO and other sources, where the Province has appointed 1 or more representatives, and are directly or indirectly integral to ministry operational interests or legislative oversight responsibilities.

Advice/Recommendations

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Advice/Recommendations

COMMUNITY BENEFITS OFFICE

Executive Director Responsible: Sarah Zaharia

Core Business/ Program Area Description/Critical Business Processes:

The **Community Benefits Office (CBO)** provides leadership and direction for the implementation of community benefits objectives across government through the development of a Community Benefits Framework (CBF). The CBF will include an overall policy, a planning guide to incorporate community benefits language into procurement and contracts and a plan for reporting and monitoring. The CBO is in the process of developing the Community Benefits Framework in collaboration with policy and capital ministries and through consultation with its internal and external stakeholders.

The initial phase of the Community Benefits Framework has been implemented successfully with the application of a Community Benefits Agreement (CBA) to three major infrastructure projects: (1) Pattullo Bridge Replacement, (2) Broadway Subway Project and (3) Highway 1 Four-Laning projects between Kamloops and the Alberta Border including Illecillewaet, Kicking Horse Canyon Phase 4, Chase Creek Road to Chase West, and Salmon Arm West.

Cabinet Confidences; Advice/Recommendations

Budget: 2020/21:

Government Financial Information

Full Time Equivalents (FTEs):

3.0 FTEs as of September 26, 2020

Related Legislation:

N/A

Organizational Chart:



INFORMATION NOTES
Community Benefits Office

Corporate Notes

	Topic	Division Resp
Cabinet Confidences; Advice/Recommendations		CBO
	Community Benefits Agreement Legal Challenge	CBO

Ministry Notes

	Topic	Division Resp
Advice/Recommendations		CBO
	Community Benefits Agreement Investment on Infrastructure Projects	CBO
Cabinet Confidences; Advice/Recommendations		CBO
Advice/Recommendations		CBO
Advice/Recommendations		CBO

CORPORATE ISSUE/OPPORTUNITY NOTE

Issue: Cabinet Confidences; Advice/Recommendations

Background:

- The Community Benefits Agreement (CBA) describes how workers are hired and employed on select major public infrastructure projects in B.C.
- The agreement is signed between BC Infrastructure Benefits Inc. (BCIB) and the Allied Infrastructure and Related Construction Council (AIRCC).
- BCIB, a crown corporation, was established to implement and operationalize all the components of the CBA and is the employer of the workforce on CBA public infrastructure projects.
- Since the CBA was established in July 2018, there have been several items brought forward that required amendments to the original CBA. The amendments have been implemented either through Errata, enabling agreements, or project-specific appendices, as the circumstances required.

Advice/Recommendations

Advice/Recommendations; Legal Information

Issue/Opportunity:

Advice/Recommendations; Legal Information

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Advice/Recommendations; Legal Information

CORPORATE ISSUE/OPPORTUNITY NOTE

Issue:

- A petition was filed on August 27, 2018 in the Supreme Court of British Columbia by a group of petitioners including the Independent Contractors and Businesses Association (ICBA), various construction associations, non-Building Trades Unions and non-Building Trades contractors to challenge the use of the Community Benefits Agreement (CBA) on public infrastructure projects, including the Pattullo Bridge Replacement Project.
- This petition challenges the decision of the Minister of Transportation and Infrastructure to impose use of the CBA through a request for qualifications and similar future decisions. ICBA alleges imposing the CBA was unreasonable as it was done to reward political allies (the Building Trades Unions) and is unconnected to any legitimate objective. They also allege it infringes Charter protections for freedom of association and freedom of expression.

Background:

- A petition was filed on August 27, 2018 in the Supreme Court of British Columbia by a group of petitioners including the Independent Contractors and Businesses Association (ICBA), various construction associations, non-Building Trades Unions and non-Building Trades contractors to challenge the use of the Community Benefits Agreement (CBA) on public infrastructure projects, including the Pattullo Bridge Replacement Project.
- This petition challenges the decision of the Minister of Transportation and Infrastructure to impose use of the CBA through a request for qualifications and similar future decisions. ICBA alleges imposing the CBA was unreasonable as it was done to reward political allies (the Building Trades Unions) and is unconnected to any legitimate objective. They also allege it infringes Charter protections for freedom of association and freedom of expression.
- A BC Court of Appeal ruling made on August 28, 2020 upholds a decision by the Supreme Court of BC earlier in 2020 that decided the Court did not have jurisdiction over the Charter arguments and should instead be heard by BC's Labour Relations Board (LRB).
- Historical Timeline:
 - February 27 through March 1, 2019: The Supreme Court of BC heard applications by the Province and the Allied Infrastructure and Related Construction Council (AIRCC) arguing that the Supreme Court of BC does not have jurisdiction over the matter and that the petition should be dismissed. The Province argued, in part, that the matter should instead be before BC's LRB.
 - July 23, 2019: Supreme Court of BC found most of the petition, including the Charter claims were within the jurisdiction of BC's LRB. However, the Court did find it was at least arguable that the Minister's decision is subject to judicial review on other grounds.
 - February 3, 2020: The Supreme Court of BC clarified the ruling from July 2019, making clear that no arguments based on the Charter could be advanced under the petition and directed dispute on those issues to BC's LRB.
 - February 19, 2020: ICBA filed a Notice of Appeal in the BC Court of Appeal.
 - July 16 and 17 2020: The BC Court of Appeal hearing took place and reserved their

judgment.

- August 28, 2020: The BC Court of Appeal released its ruling and upholds a decision by the Supreme Court of BC that decided the Court did not have jurisdiction over the Charter arguments and should instead be heard by BC's Labour Relations Board (LRB).

Issue/Opportunity:

Business Information; Advice/Recommendations

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Advice/Recommendations

INFORMATION NOTE

Issue:

- The Community Benefits Agreement (CBA) investment on infrastructure projects has been 4 to 7% of the total project cost.

Background:

- Government emphasized the need to ensure spending on public projects results in public benefits through local hiring provisions, small business access to procurements, hiring more indigenous people and other workers traditionally underrepresented in the skilled trades, and that there are apprenticeship ratios that help create the next generation of BC workers.
- A Community Benefits Framework (CBF) will support BC provincial public-sector agencies in optimizing benefits to British Columbians and their communities when investing provincial funds in major infrastructure projects to build roads, bridges, hospitals and schools.
- Under this framework, infrastructure spending will deliver six community benefits objectives:
 1. Increased opportunities for apprenticeships and skills training
 2. Increased opportunities for Indigenous peoples
 3. Increased opportunities for groups traditionally underrepresented in the construction workforce
 4. Improved access and opportunity for local workers and business
 5. Aligned and predictable wages
 6. Environmentally beneficial practices
- In March 2019, the Ministry of Finance assumed responsibility from the Ministry of Transportation and Infrastructure for the next phase(s) of CBF development given their role as the central agency responsible for overall cross-government core and capital policy.
- The CBF is composed of a Community Benefits Agreement (CBA) on select infrastructure projects approved by Cabinet and Treasury Board and the use of procurement and contract terms to create community benefits where a CBA is not applied.
- The CBA is an agreement between the province and the Allied Infrastructure and Related Construction Council of B.C. (AIRCC), signed in the spring of 2018.
- BC Infrastructure Benefits (BCIB), a crown corporation, was established to implement and operationalize all the components of the CBA and is the employer of the workforce on CBA public infrastructure projects.
- Cabinet has approved the application of the Community Benefits Agreement on three infrastructure projects, the Pattullo Bridge Replacement, Broadway Subway Project and Highway 1 Four-Laning projects between Kamloops and the Alberta Border including Illecillewaet, Kicking Horse Canyon Phase 4, Chase Creek Road to Chase West and Salmon Arm West.
- Further cross sector projects may be added under the CBA subject to Cabinet and Treasury Board approval.
- CBA investment estimates for projects are:
 - Pattullo Bridge replacement: approx. 4%
 - Broadway Subway: Less than 4%
 - Chase Creek Road to Chase West: approx. 4%
 - Salmon Arm West: approx. 4%
 - Kicking Horse Canyon Phase 4: Approx. 5.8%

INFORMATION NOTE

Issue: Advice/Recommendations

Background:

- Government emphasized the need to ensure spending on public projects results in public benefits through local hiring provisions, small business access to procurements, hiring more indigenous people and other workers traditionally underrepresented in the skilled trades, and that there are apprenticeship ratios that help create the next generation of BC workers.
- The Community Benefits Framework (CBF) will support BC provincial public-sector agencies in optimizing benefits to British Columbians and their communities when investing provincial funds in major infrastructure projects to build roads, bridges, hospitals and schools.

Cabinet Confidences; Advice/Recommendations

- In March of 2019, the Ministry of Finance assumed responsibility from the Ministry of Transportation and Infrastructure for the next phase(s) of CBF development given their role as the central agency responsible for overall cross-government core and capital policy.

Cabinet Confidences; Advice/Recommendations

- Currently, three projects apply the CBA: the Pattullo Bridge Replacement, Broadway Subway Project and Highway 1 Four-Laning projects between Kamloops and the Alberta Border including Illecillewaet, Kicking Horse Canyon Phase 4, Chase Creek Road to Chase West and Salmon Arm West.
- Determination on when Community Benefits Agreement is applied to a project is made on a case-

by-case basis and is at the discretion of Treasury Board and Cabinet.

Issue/Opportunity:

Cabinet Confidences; Advice/Recommendations

INFORMATION NOTE

Issue:

- The initial phase of the <sup>Cabinet Confidences;
Advice/Recommendations</sup> has been implemented successfully with the application of a Community Benefits Agreement to three major infrastructure projects.
Cabinet Confidences; Advice/Recommendations

Background:

Cabinet Confidences; Advice/Recommendations

- In March 2019, the Ministry of Finance assumed responsibility from the Ministry of Transportation and Infrastructure for the next phase(s) of CBF development given their role as the central agency responsible for overall cross-government core and capital policy.
- The CBA is an agreement between the province and the Allied Infrastructure and Related Construction Council of B.C. (AIRCC), signed in the spring of 2018.
- BC Infrastructure Benefits (BCIB), a crown corporation, was established to implement and operationalize all the components of the CBA and is the employer of the workforce on CBA public infrastructure projects.

Cabinet Confidences; Advice/Recommendations

Issue/Opportunity:

- Engagement to collect input and advice on the CBF is underway and ongoing with ministries that have program, policy, and capital/infrastructure delivery responsibilities that align with the key objectives below. This includes: Ministry of Advanced Education, Skills and Training, Ministry of Indigenous Relations and Reconciliation, Ministry of Jobs, Economic Development and Competitiveness, Ministry of Health, Ministry of Education, Ministry of Finance, Ministry of Attorney General, Ministry of Transportation and Infrastructure, Ministry of Labour, Ministry of Environment and Climate Change Strategy, Ministry of Citizen Services, Ministry of Social Development & Poverty Reduction, Gender Equity Secretariat and Ministry of Forests, Lands, Natural Resource Operations and Rural Development.
- Engagement with key industry and labour stakeholders, Indigenous and other groups will be important to inform the CBF development and seek broader stakeholder support.

INFORMATION NOTE

Issue:

Cabinet Confidences; Advice/Recommendations

Background:

- Government emphasized the need to ensure spending on public projects results in public benefits through local hiring provisions, small business access to procurements, hiring more indigenous people and other workers traditionally underrepresented in the skilled trades, and that there are apprenticeship ratios that help create the next generation of BC workers.

Cabinet Confidences; Advice/Recommendations

- In March of 2019, the Ministry of Finance assumed responsibility from the Ministry of Transportation and Infrastructure for the next phase(s) of CBF development given their role as the central agency responsible for overall cross-government core and capital policy.

Cabinet Confidences; Advice/Recommendations

Issue/Opportunity:

- Currently, one project is using ^{Advice/Recomm}entations for procurement and contract terms as a delivery

method for community benefits objectives, Advice/Recommendations
Advice/Recommendations

KEY STAKEHOLDERS

Branch	Organization	Contact	Description	Key Issues
CBO	Partnerships BC (PBC)	Mark Liedemann President and CEO (604) 806-4171 Mark.Liedemann@partnershipsbc.ca	<i>Crown Corporation</i> PBC supports the public sector in meeting its infrastructure needs by providing leadership, expertise and consistency in the procurement of complex capital projects by utilizing private sector innovation, services and capital to deliver measureable benefits for taxpayers.	<ul style="list-style-type: none"> • Business case assessment / budget development with CBF in mind. • Embedding CBF in procurement process. • Addressing interested parties/proponents' questions and responses on existing projects

Branch	Organization	Contact	Description	Key Issues
CBO	BC Infrastructure Benefits Inc. (BCIB)	Irene Kerr President and CEO (778) 783-1209 ikerr@bcib.ca	<p><i>Crown Corporation</i></p> <p>BCIB provides a qualified workforce for the construction of public sector infrastructure projects operating under the Community Benefits Agreement. As the employer for all workers on the projects, BCIB makes sure British Columbians get access to good-paying jobs, skills development and apprenticeships. Providing opportunities to underrepresented workers such as Indigenous peoples, women, and people with disabilities will help ensure our province can meet labour needs today, and into the future.</p>	<ul style="list-style-type: none"> • Collaboration and coordination on strategy and messaging • Policy and advocacy support. • Supportive relationship building

Branch	Organization	Contact	Description	Key Issues
CBO	Transportation Investment Corporation (TI Corp)	Amanda Farrell President and Chief Executive Officer (604) 398-5787 Personal Information	<i>Crown Corporation</i> TI Corp has a mandate to deliver \$4.7 Billion in major infrastructure on behalf of the Ministry of Transportation and Infrastructure. In June 2018, the Government of B.C. re-purposed TI Corp to become the Ministry of Transportation and Infrastructure's major project governance and delivery organization. TI Corp is committed to building capacity internally and, by extension, within the BC Public Service. The organization will apply robust and consistent controls and practices across the major transportation projects. TI Corp was established under the Transportation Investment Act. TI Corp is a subsidiary of the BC Transportation Finance Authority and is governed by a board of directors.	Advice/Recommendations <ul style="list-style-type: none"> • Transportation project integrity / procurement. • On time, on schedule project delivery. • Impacts to project budgets.
CBO	Industry Training Authority (ITA)	Shelly Gray Chief Executive Officer 778-327-5904 sgray@itabc.ca	<i>Provincial government agency</i> The Industry Training Authority (ITA) leads and coordinates British Columbia's skilled trades system. ITA works with employers, apprentices, industry, labour, training providers and government to issue credentials, supports apprenticeships, fund programs, set program standards and increase opportunities in the trades.	<ul style="list-style-type: none"> • Aligning data information about apprenticeships

Branch	Organization	Contact	Description	Key Issues
CBO	Vancouver Island Health Authority	Kerry Beauchamp Director, Design and Construction Cowichan District Hospital Replacement Project Cell: Personal Information Kerry.Beauchamp@viha.ca	Island Health, also known as the Vancouver Island Health Authority, is the publicly funded health care provider in the southwestern portion of the Canadian province of British Columbia. It was established as one of five geographically based health authorities in 2001 by the Government of British Columbia.	Advice/Recommendations
CBO	Allied Infrastructure and Related Construction Council (AIRCC)	Hamish Stewart President Cell: Personal Information Personal Information Brian Zdrillc Personal Information	<i>Industry</i> AIRCC is an affiliation of 19 unions, which partnered with BCIB to sign the Community Benefits Agreement (https://www.bcib.ca/wp-content/uploads/2018/11/Community-Benefits-Agreement.pdf)	<ul style="list-style-type: none"> Continued engagement and understanding of strategy.

Branch	Organization	Contact	Description	Key Issues
CBO	B.C. and Yukon Building Trades Council	Andrew Mercier Executive Director (778) 397-2220 amercier@bcbuildingtrades.org Al Phillips President Cell: Personal Information	<i>Industry</i> Established in 1967, the BC Building Trades represents 25 local craft construction unions belonging to 13 international unions. There are more than 35,000 unionized construction workers in B.C. and these highly skilled workers account for approximately 55 percent of the non-residential construction labour force. We work with construction companies to leverage the most out of development for all stakeholders, to advance the economic prosperity of the province, to put local workers first and to ultimately build a better British Columbia.	<ul style="list-style-type: none"> Continued engagement and understanding of strategy.
CBO	Construction Labour Relations Association of BC	Ken McCormack President and CEO Cell: (604) 968-4911 kenm@clra-bc.com	<i>Industry</i> Construction Labour Relations Association of BC (CLR) helps its contractor members negotiate contracts in BC's unionized construction sector.	<ul style="list-style-type: none"> Issues management

Branch	Organization	Contact	Description	Key Issues
CBO	IUOE Local 115	Brian Cochrane Business Manager mobile 604-240-0827 Personal Information	<i>Industry</i> Since 1931, IUOE Local 115 has helped to build some of the most important dams and infrastructure in the province, serving all British Columbians in their day-to-day life. Operating Engineers have worked on most of BC's power-creating dams including the recently completed John Hart Generating Station Replacement. Other landmarks we built include the Waneta Expansion dam project, the Golden Ears Bridge, the BC Place roof and many more	<ul style="list-style-type: none"> • Issues management
CBO	Association of Consulting Engineering Companies British Columbia (ACEC-BC)	Caroline Andrewes ACEC-BC President & CEO 604.687.2811 ext. 1 Mobile: Personal Information caroline@acec-bc.ca	<i>Industry</i> Representing 80+ of BC's consulting engineering companies that provide engineering and other technology-based intellectual services to the public and private sectors.	<ul style="list-style-type: none"> • Issues management
CBO	International Brotherhood of Electrical Workers (IBEW) Local 230	Phil Venoit Business Manager 250-889-7374 Phil@ibew230.org	<i>Industry</i> To organize all workers in the entire electrical industry in the United States and Canada, including all those in public utilities and electrical manufacturing, into local unions	<ul style="list-style-type: none"> • Issues management

Branch	Organization	Contact	Description	Key Issues
CBO	BC Road Builders and Heavy Construction Association	Kelly Scott President kelly@roadbuilders.bc.ca	<i>Industry</i> The BC Road Builders and Heavy Construction Association is a non-profit organization that represents firms in the BC road building and maintenance industry.	<ul style="list-style-type: none"> • Policy development and issues management
CBO	BC Construction Association (BCCA)	Chris Atchison President chris.atchison@bccassn.com	<i>Industry</i> BCCA is the provincial voice of BC's construction industry. It engages collaboratively with Ministries, Crowns, and other provincial stakeholders to foster mutual understanding of key industry issues.	<ul style="list-style-type: none"> • <i>CBO in regular contact</i> Advice/Recommendations
CBO	Mayor and Council (Radium and Golden)	n/a	<i>Municipal government</i> Met Mayor and Council in Fall 2019 during Information sessions for Highway 1 4-laning projects to answer questions on projects.	<ul style="list-style-type: none"> • CBA investment

For information: The Independent Contractors and Businesses Association (ICBA), various construction associations, non-Building Trades Unions and non-Building Trades contractors are challenging the use of the Community Benefits Agreement (CBA) on public infrastructure projects, including the Pattullo Bridge Replacement Project. The full list is:

Independent Contractors and Business Association, Progressive Contractors Association, Christian Labour Association of Canada, Canada West Construction Union, British Columbia Chamber of Commerce, British Columbia Construction Association, Canadian Federation of Independent Business, Vancouver Regional Construction Association, Jacob Bros. Construction Inc., Eagle West Crane & Rigging Inc., LMS Reinforcing Steel Group Ltd., Morgan Construction and Environmental Ltd., Tybo Contracting Ltd., Dawn Rebelo, Thomas Macdonald, Forrest Berry, Brendon Froude, Richard Williams and David Fuoco

CORPORATE SERVICES DIVISION

ADM Responsible: Teri Spaven

Core Business/ Program Area Description/Critical Business Processes:

- The **Corporate Services Division (CSD)** provides a suite of strategic business and support services to the Ministry of Finance, as well as to the Office of the Premier, Minister's Offices, Government House, and crown agencies that fall under the Ministry of Finance, enabling them to achieve their objectives and comply with corporate policy and legislation.
- CSD supports the ministry's objectives by providing a set of core internal ministry processes, including corporate governance services, advice and support in finance, strategic human resources, information management, technology services, business planning, performance management, internal communication, Freedom of Information, and administration.
- CSD is responsible for leading and/or coordinating Finance's corporate initiatives and requirements including the ministry budget and reporting, integrated strategic planning, Business and Service Plans, ministry LEAN projects, Leading Workplace Strategies, and the Business Continuity Plan.
- CSD coordinates all Treasury Boards submissions for the ministry. The Division is also the lead contact for various central agencies such as the Ministry of Citizens' Services (which includes the Office of the Chief Information Officer and Real Property Division), the Crown Agencies and Board Resourcing Office, and the Public Service Agency.

Budget: 2020/21:

Government Financial
Information

Full Time Equivalent (FTE) Utilization:

108.8 FTEs as at September 26, 2020

Related Legislation:

N/A

Organizational Chart:



INFORMATION NOTES
Corporate Services Division

Ministry Notes

	Topic	Division Resp
Advice/Recommendations		CSD
	BCEBW Update	CSD
	Pandemic Pay	CSD

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Advice/Recommendations

INFORMATION NOTE

Issue:

- The BC Emergency Benefit for Workers (BCEBW) provides \$1,000 in financial relief to British Columbians who were unable to work due to COVID-19 and have been approved for the Canada Emergency Response Benefit.
- \$1.2 billion was approved for the BCEBW. As at October 26th, there has been \$640 million spent, representing 640,000 British Columbians receiving the benefit.
- Payments made to British Columbians who qualify for the BCEBW are funded through the new Pandemic Response and Economic Recovery contingencies vote.

Background:

- On March 23, 2020, as part of the Covid-19 Action Plan, government announced the one-time payment of \$1,000 for British Columbians whose ability to work has been affected by the COVID-19 pandemic. Government's announcement stated the benefit would go to British Columbians who receive federal Employment Insurance (EI), or what subsequently became the new Canada Emergency Response Benefit (CERB), as a result of COVID-19 impacts. Subsequent changes to the CERB, meant that most people who would have previously received EI regular or sickness benefits after CERB were automatically enrolled in CERB.
- The key eligibility requirement for the BCEBW is eligibility for the CERB. The choice of CERB as a key eligibility requirement for the BCEBW was based on the ability to verify against CERB beneficiary lists; the speed of implementation; the ease of administration; and, because developing a 'made in BC' program would take time that wasn't available if this program were to make funds available in a timely manner.
- In May 2020, Treasury Board approved up to \$1.2 billion in Vote 52 Contingencies access to make BCEBW grant payments for eligible BC residents.

Cabinet Confidences

- At October 26th, the federal government has processed 1.19 million unique applications related to British Columbia and the Province has processed 640,000 BCEBW applications resulting in \$640 million in payments.
- Although the Province continues to process applications, the volume of daily applications has tailed off over the last few months. Initial uptake was quite high, with more than 0.5 million applications approved in May. In July and August, there was an average of 350/day and currently the intake is closer to 100/day.
- The Ministry is responsible for the administration of the program and has been provided with additional funding support for the new program. Cabinet Confidences

Cabinet Confidences

INFORMATION NOTE

Issue:

- Temporary pandemic pay (TPP) is a \$425 million cost-shared program, with the federal government funding 75% of payments, that forms part of the Province's response to the pandemic as we work towards economic recovery.
- TPP provides an additional \$4/hour, for a 16-week period (March 15th to July 5th) to frontline workers providing critical public services in health, social services and corrections.
- It is estimated that the temporary pandemic pay will benefit 252,000 workers at a cost of \$411 million.
- TPP payments began to flow to eligible employees in early October. The Province continues to work to review and validate the incoming claim submissions and get payment to employers so that they can distribute the temporary pandemic pay to their employees.

Background:

- On April 15, 2020, the federal government announced that they would work with provinces/territories to cost share a new top up for essential workers who earn less than \$2,500 per month. The federal government's stated objective is to provide temporary financial support to essential workers, thereby helping to support employers in keeping their workers on staff, while also ensuring fairness.
- On May 19th, the Province announced TPP for front-line workers delivering in-person, critical public services in health, social services and corrections to those most vulnerable during the pandemic, and where physical distancing is not always possible.
- Eligible frontline-workers will receive incremental compensation equivalent to about \$4 per hour for straight-time hours worked anytime over a 16-week period, starting on March 15th. B.C.'s approach is consistent with the majority of provinces including Ontario, Saskatchewan and Nova Scotia.
- Principles used in identifying eligible workers included organizations that receive provincial funding; unionized workforces and non-union union equivalent workers who provide direct, in-person clinical and support services to vulnerable populations where self-isolation may be difficult or impossible; straight time hours; there is no minimum threshold of straight time hours worked; does not apply to people on leave; does not apply to fee-for-service healthcare providers (e.g., doctors), management excluded or executives.

Cabinet Confidences; Advice/Recommendations

- Service providers are required to submit a claim for all eligible employees between September 14, 2020 and October 31, 2020. Once the claim form has been validated, the Ministry of Finance will disburse the funding to service providers who will be responsible for:
 - Ensuring the funds are accurately distributed to their eligible employees as soon as they receive them from the Province – and to any subcontractors that were included on their claim submissions.
 - Making best efforts to provide the pay to eligible employees who have resigned or retired

- from the organization
- Addressing any issues arising from employees. For example, the amount of TPP or the hours that were worked in the 16-week period
- Ensuring funds are not used to reimburse employers for any top-up pay that they independently committed to their employees prior to the announcement of the program on May 7, 2020
- As of mid-October, funds have begun to be provided to employers. It is anticipated that all employers will receive the funds by the end of December.

Payroll Deduction Support for Employers:

- Pandemic pay is subject to payroll deductions such as, Employer Health Tax, Worksafe BC, EI and CPP. When service providers receive TPP funding, they will also receive funding to support related payroll costs.
- The payroll support payment has been calculated at 10.1% of the total pandemic pay the service provider receives and is intended to cover Employer Health Tax, Worksafe BC, EI and CPP expenses attracted by the pandemic pay.

Cabinet Confidences; Advice/Recommendations

CROWN AGENCIES & BOARD RESOURCING OFFICE

Executive Lead Responsible: Charley Beresford

Core Business/ Program Area Description/Critical Business Processes:

The **Crown Agencies and Board Resourcing Office (CABRO)** is responsible for Public Sector Organization (PSOs) governance support.

CABRO co-ordinates the legislated performance, planning and reporting annual cycle for Crown Corporations under the *Budget Transparency and Accountability Act*, oversees the recruitment and recommendation of candidates for appointments to Crown corporations, agencies, boards and commissions and provides public sector governance advice and training for appointees. CABRO is the secretariat for the Appointment Orders Cabinet Committee, issues cross government drafting instructions for appointments and coordinates the Order in Council appointments for Cabinet agendas.

Governance support includes:

- overseeing the delivery of mandate letters, service plans and annual service plan reports for PSOs;
- overseeing appointments to 264 public sector organizations – which encompasses nearly 2000 appointees, with a firm commitment to reflecting the Province’s diversity in Provincial appointments (see diversity statement below);
- provision of guidance on the creation and dissolution of public sector organizations;
- conducting analysis, establishing best practices, providing advice and recommendations on governance issues; and,
- providing training on governance, public sector transparency, strategic Government priorities, performance planning and reporting.

CABRO’s website includes the following statement on government’s commitment to diversity in board appointments:

- To support strong boards that reflect the diversity of our province, women, visible minorities, Indigenous Peoples, persons with disabilities, persons of diverse sexual orientation, gender identity or expression (LGBTQ2S+), and others who may contribute to diversity in public sector board appointments are encouraged to put their names forward for appointments.
- Consideration will be given to individuals with a broad range of backgrounds in community, labour and business environments. The selection process will recognize lived experience and volunteer roles as well as paid employment and academic achievements.

Budget: 2020/21:

\$1.436M

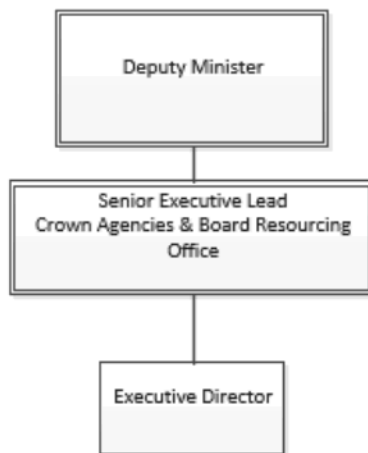
Full Time Equivalent (FTEs):

12 FTEs as of September 26, 2020.

Related Legislation:

- *Budget Transparency and Accountability Act (BTAA)*
- *Financial Information Act*
- *Financial Administration Act*
- *Freedom of Information and Protection of Privacy Act (FOIPPA)*
- *Information Management Act (IMA)*
- *Public Service Employers' Act (PSEA)*
- Board structure and appointment processes for PSOs are defined in either the enabling legislation for the organization (e.g. *Hydro and Power Authority Act* for BC Hydro, *Insurance Corporation Act* for ICBC), or in the constitution or by-laws of PSOs without stand-alone enabling legislation.

Organizational Chart:



30/60/90 DAY DECISIONS
Crown Agencies & Board Resourcing Office

Corporate Issues

30/60/90	Issue	Division Resp
30	Crown, Health Authority & Post-Secondary Mandate Letters process for Fiscal Year 2021-22	CABRO
30	Process and Format for 2021/22 - 2023/24 Ministry & Crown Service Plans	CABRO

INFORMATION NOTES
Crown Agencies & Board Resourcing Office

Corporate Notes

Topic	Division Resp
Review & Refresh of Crown Agency Governance Framework	CABRO
Cabinet Confidences	CABRO

Ministry Notes

Topic	Division Resp
Crown Board Chairs meeting	CABRO
Advice/Recommendations; Legal Information	CABRO
Implementation of Governing in Public Interest training for Provincial Appointees to Public Sector Organizations	CABRO

CORPORATE ISSUE/OPPORTUNITY NOTE

Issue:

- Review and refresh Crown Agency Governance Framework to strengthen crown oversight with updated best practices and governing in the public interest lens. *Advice/Recommendations*
Advice/Recommendations

Background:

- A number of best-practice, governance, and accountability documents for BC's Public Sector Organizations have been developed over time, building on the 2000 Budget Transparency and Accountability Act. They include, but aren't limited to:
- Performance Reporting Principles for the British Columbia Public Sector 2003
- Best Practice Guidelines: Governance and Disclosure Guidelines for Governing Boards of BC 2005
- Public Sector Governance: A Guide to the Principles of Good Practice. How are we Doing? The Public Reporting of Performance Measures in British Columbia – Auditor General 2008
- Shareholder's Expectations for British Columbia Crown Agencies 2011
- Taxpayer Accountability Principles 2014/2015

Issue/Opportunity:

- With a new administration, the opportunity for a refreshed and updated Crown Agency Governance Framework and supporting documents is timely. This would allow for framing that emphasizes a more modern framework while building more robust communication with public sector organizations and their governing boards.
- A refreshed Governance Framework will provide an effective tool for framing and communicating the governance pathway for public sector organizations in support of achieving overarching BC's economic framework and public policy goals. It will articulate and support stronger relationships between the Province and the Province's public sector organizations, which deploy two thirds of government expenditures and are critical in delivering services people in British Columbia count on. Public sector organizations are a form of distributed governance for the government of BC and their effectiveness is crucial in meeting public policy goals.

Advice/Recommendations

Advice/Recommendations

- Timing the release of a new framework for May 2021, in conjunction with a second governance conference and training event, modeled after the 2019 Governing in the Public Interest event, offers a window of opportunity for public profiling.

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Cabinet Confidences; Advice/Recommendations

INFORMATION NOTE

Issue:

- Annual Crown Corporation Board Chair meetings.

Background:

- The Government of British Columbia, and the many agencies, boards and commissions that serve the Government and the people of British Columbia, are committed to achieving and maintaining exemplary standards of governance.
- While good governance does not ensure organizational success, expectations are more likely achieved with guidance and leadership provided by a sound governance structure.
- British Columbia continues to be an acknowledged leader in public sector governance among other Canadian jurisdictions and Crown Board Chair meetings are a key component of B.C.'s Public Sector Governance Framework.
- The annual Crown Board Chair meeting hosted by the Minister of Finance is an important opportunity for direct communication between key public-sector organizations and members of the executive council. It supports good governance practices, promotes alignment with government priorities and offers an opportunity to address emerging issues.
- Typically, about 30 Crown Corporation Board Chair, along with Deputy Ministers of the Ministries Responsible, are invited to an in-person meeting with the Minister of Finance, the Deputy Minister to the Premier and Deputy Minister of Finance.
- The Crown Agencies Board Resourcing Office (CABRO), as the lead central agency responsible for B.C.'s Public Sector Governance Framework, is charged with co-ordinating the Board Chair Meeting agenda and works with the Minister of Finance, Premier's Office, key stakeholders and presenters on meeting logistics.
- CABRO has received strong support for these meetings from Board Chairs, who see value in hearing and engaging directly with the Minister of Finance on government's priorities, networking with other PSO chairs, building relationships and sharing knowledge to assist their public agency stewardship.
- In addition to the participation of the Minister of Finance, these meetings have featured special presentations by senior staff from the Premier's Office, Ministry of Finance and the Public-Sector Employer's Council on similar topics, updates and emerging priorities.

Status:

- The last Crown Board Chairs meeting was held March 14, 2019. Spring 2020 was cancelled due to COVID 19.
- CABRO this Fall will be seeking the Minister of Finance's support to resume the Crown Board Chairs meeting in the first or second quarter of 2021 in a virtual format.

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Advice/Recommendations; Legal Information

INFORMATION NOTE

Issue:

Implementation of Governing in the Public Interest training for provincial appointees to public sector organizations.

Background:

- The British Columbia (BC) Government appoints more than 2,000 people to more than 260 public sector organizations (PSO) throughout the province.
- CABRO helps ensure appointees receive public sector governance orientation and training. To this end, in September 2020, CABRO made a soft launch of “Governing in the Public Interest” (GIPI) online training program with the program’s first two eModules
- GIPI is delivered online via the Open School BC platform. Open School BC operates within the Ministry of Education.
- GIPI’s target audience is appointees to PSOs and the program’s goal is to ensure appointees have foundational governance knowledge to assist in fulfilling their roles.
- Appointees are invited to register for eModules 1 & 2 via two streams:
 - CABRO appointment/re-appointment process; and,
 - Direct engagement with ministries and PSOs.
- Upon completing each eModule, appointees receive a Certificate of Completion.
- CABRO has enough seat capacity to train up to 250 persons each month.
- The program is delivered at no cost to appointees; however, CABRO is exploring the introduction of a cost-recovery fee for non-government appointees in the future.

Status:

- CABRO has received extensive positive feedback regarding the program’s content. A higher profile launch is envisioned for Governing in the Public Interest certificate governance program later in the fall.
- On an ongoing basis, CABRO is directly engaging PSOs, via their ministries, to invite pilot cohorts to participate in training on a pilot basis.
- A draft of eModule three has been completed and CABRO is working with Open School BC and subject matter experts to release the latest eModule by early 2021. CABRO plans to finish development of eModules 4 & 5 in 2021.
- Due to demand for governance training, CABRO intends to expand its target audience to include non-provincially appointed persons. These individuals will be charged a cost-recovery fee to participate in GIPI training. Any revenue generated will be invested into creating new eModules beyond the core offering.

**MINISTRY OF FINANCE
KEY STAKEHOLDERS**

Branch	Organization	Contact	Description	Key Issues
CABRO	Ministers responsible for Agencies, Boards, and Commissions (ABCs)	Appropriate Minister and Ministerial Assistant staff responsible for ABCs	Responsible for: Recommending appointment OICs for Cabinet approval and/or directly approving appointments to ABCs by Ministerial mechanism (e.g. Ministerial Orders/Letters, /Shareholder Consent Letter, etc.)	<ul style="list-style-type: none"> • ABC appointment recruitment, selection and related issues management • Guidelines for appointments to ABCs including process. Best practice guidelines for ABCs.
CABRO	Premier's Office	Premier's Chief of Staff and PO staff, Deputy to the Premier and the Assistant Deputy Minister; and the Executive Branch Correspondence Branch	Responsible for: <ul style="list-style-type: none"> • Minister's Mandate Letters • Deputy Minister's Committee reviewing key government priorities • Confidence and Supply Agreement (CSA) 	Provide input into: <ul style="list-style-type: none"> • Coordinate Crown Agency Mandate Letters, Service Plans and Annual Reports guidelines, templates and final drafts • CSA required reports on OIC appointments going to Cabinet
CABRO	Crown Agency Boards	Corporate secretary for individual crown agency boards and Board Chairs	Responsible for: Oversight and governance of Crown Agency	Key roles: <ul style="list-style-type: none"> • Approval of Crown Service Plan and Annual Service Plan report • Governance consultation • Approval of budget and strategic plans • Governance training Annual Crown Chair Board meetings

Branch	Organization	Contact	Description	Key Issues
CABRO	Appointment Orders Committee (AOC)	Chair, and 4 Executive Council	Responsible for: <ul style="list-style-type: none"> Reviewing and vetting all OIC appointments before they go to Cabinet Approving OICs going to Cabinet for approval 	Provide input into: <ul style="list-style-type: none"> ABC OIC appointments to ensure citizen-centred governance, with a goal to achieve strong boards that reflect the diversity of BC; and the boards role in achieving government's public policy objectives.
CABRO	Ministries responsible for Agencies, Boards, and Commissions (ABCs)	Appropriate Deputy Minister and ministry staff responsible for ABCs	Responsible for: <ul style="list-style-type: none"> Providing information about ABCs, the people who are appointed to serve on them and the appointment process. 	Provide input into: <ul style="list-style-type: none"> Guidelines for appointments to ABCs. Best practices guidelines for ABCs. Crown Agency <ul style="list-style-type: none"> Mandate letter process Service plan process Annual service plan report process Ministry <ul style="list-style-type: none"> Service plan process Annual Service plan report process
CABRO	Public Sector Employers' Council	Chris Rathbone CEO and President 778 698-8530 Chris.Rathbone@gov.bc.ca	Responsible for: <ul style="list-style-type: none"> Providing strategic direction for human resource management and labour relations in ABCs. 	Provide input into: <ul style="list-style-type: none"> Guidelines for public sector appointee and executive compensation. Policies relating to human resources and labour relations.
CABRO	Treasury Board Staff	Associate DM, and key staff in Performance and Budgeting Office	Responsible for: <ul style="list-style-type: none"> Corporate governance regarding government capital planning and expenditures 	Provide input into: <ul style="list-style-type: none"> Ministry and Crown Agency service plan and annual report process

Branch	Organization	Contact	Description	Key Issues
CABRO	Cabinet Operations Staff	Deputy Cabinet Secretary and key staff in the Cabinet Operations Office	Responsible for: <ul style="list-style-type: none"> • Board Appointments as agenda items for Cabinet meetings • Coordinating Cabinet Committee review of Crown Mandate Letters 	Provide assistance with: <ul style="list-style-type: none"> • Cabinet Agenda • Setting up Sharepoint services • Crown Mandate Letter review process • Tracking and communicating Cabinet Committee review schedule and feedback
CABRO	JAG - Office of Legislative Counsel	Chief Legislative Counsel, and key staff in the Order in Council Administration Office, Legislative Counsel & Assistants Office, and Regulations Editing & Publications Department	Responsible for: <ul style="list-style-type: none"> • Legal advice • Drafting orders • Uploading onto BC Secure File Transfer system • Processing LG signatures on OICs 	Provide input into: <ul style="list-style-type: none"> • OIC and MO drafting orders, processing orders, maintaining BC Secure File Transfer system
CABRO	OCG – Office of the Comptroller General	Carl Fischer, ADM	Responsible for: <ul style="list-style-type: none"> • Coordinating timelines with CABRO for release of annual service plan reports with public accounts • Providing advice on accounting treatments and FIA reporting requirements for existing and new Crown Agencies • GRE control evaluation • Core Policy and Procedures Manual (CPPM) 	Provide input into: <ul style="list-style-type: none"> • CABRO’s Performance Planning and Reporting annual cycle (mandate letters, service plans and annual reports) • Crown Agency creation and/or dissolution submissions and implementation plans • Application of CPPM and FIA reporting requirements to Crown Agencies

Branch	Organization	Contact	Description	Key Issues
CABRO	Government Organizations National Network (GONN) (other fed/prov jurisdictions)	Deputy Minister (or equivalent) responsible for ABCs.	Responsible for: <ul style="list-style-type: none"> • Crown agencies • ABCs • Board appointments and governance • Compensation policies 	Best practices for: <ul style="list-style-type: none"> • Alignment of ABC priorities with government direction • Transparency and diversity in board appointments • Risk management and strategic engagement between core government and ABCs.

Board Secretaries/ Supports Contact Information

Health Authorities						
Board	Board Chair	Secretary	Official Title	Email	Phone	Address
Fraser Health Authority	James (Jim) Sinclair	Liana Kirby	EA to Board of Directors	liana.kirby@fraserhealth.ca	Personal Information	#300 - 10334 - 152A Street Surrey BC V3R 7P8
Interior Health Authority	David (Doug) Cochrane	Carmen Gudljek	Board Resource Officer	Personal Information	250 469-7070 Ext. 12804	5 th Floor, 505 Doyle Ave Kelowna BC V1Y 6V8
Northern Health Authority	Colleen Nyce	Desa Chipman	Senior Executive Assistant to CEO and Board Chair	desa.chipman@northernhealth.ca	250 565-2922	2000 15th Avenue Prince George BC V2L 5B8
Provincial Health Services Authority	Timothy (Tim) Manning	Cathy Prentice	Board Liaison and Executive Administrator	cathy.prentice@phsa.ca	604 675-7496	700-1380 Burrard St Vancouver BC V6Z 2H3
Vancouver Coastal Health Authority	Penny Ballem	Cheryl Palazoff	Board Support Lead	cheryl.palazoff@vch.ca	604 875-4719	11 th Floor, 601 West Broadway Vancouver BC V5Z 4C2
Vancouver Island Health Authority	Leah Hollins	Louise Carlow	Board Liaison Officer	louise.carlow@viha.ca	250 370-8693	2101 Richmond Avenue Victoria BC V8R4R7

Board Secretaries/ Supports Contact Information

Public Post- Secondary Institutions						
Board	Board Chair	Secretary	Official Title	Email	Phone	Address
British Columbia Institute of Technology	Douglas (Doug) Eveneshen	Barbara Kader	Executive Assistant, Governance	Personal Information	604 432-8865	3700 Willingdon Avenue Burnaby BC V5G 3H2
Camosun College	Monty Bryant	Heather Martin	College Governance Executive Assistant	martinh@camosun.ca	250 370-3409	3100 Foul Bay Rd Victoria BC V8P 5J2
College of New Caledonia	Gillain (Gil) Malfair	Marlene Beaulieu	Executive Office Administrator	beaulieum@cnc.bc.ca	250 561-5829	3330 - 22nd Ave Prince George BC V2N 1P8
College of the Rockies	Ian (Randal) Macnair	Susan Woods	Executive Assistant to the President/ CEO and the Board	woods@cotr.bc.ca	250 489-8203	2700 College Way PO Box 8500 Cranbrook BC V1C 5L7
Douglas College	Eileen Stewart	Jo-Anne Bilquist	EA to the Board	bilquistj@douglascollege.ca	604 527-5520	700 Royal Ave PO Box 2503 New Westminster BC V3L 5B2
Justice Institute of British Columbia	Stephen Gamble	Janet Haberfield	EA to the President and Board	jhaberfield@jibc.ca	604 528-5529	715 McBride Blvd New Westminster BC V3L 5T4
Langara College	Ian Mass	Diana Falcon	EA to the Board	dfalcon@langara.ca	604 323-5016	100 West 49th Ave Vancouver BC V5Y 2Z6
Nicola Valley Institute of Technology	William (Jamie) Sterritt	Pat Brown	EA to the President and the Board	pabrown@nvit.bc.ca	250 378-3306	4155 Belshaw St Merritt BC V1K 1R1

Board Secretaries/ Supports Contact Information

Personal Information						
North Island College	Eric Mosley	Rachel Reid	EA to the Board		250 334-5275	2300 Ryan Road Courtenay BC V9N 8N6
Northern Lights College	Tyler Holte	Holly Larden	EA to the Board	hlarden@nlc.bc.ca	250 784-7559	11401 - 8th Street Dawson Creek BC V1G 4G2
Okanagan College	Gloria Morgan	Linda LeGallee	Board Secretary	llegallee@okanagan.bc.ca	250 862-5472	1000 KLO Road Kelowna BC V1Y 4X8
Selkirk College	Scott Weatherford	Catherine Harder	Board Secretary	charder@selkirk.ca	250 365-1225	301 Frank Beinder Way PO Box 1200 Castlegar BC V1N 3J1
Vancouver Community College	Jocelyn (Joey) Hartman	Deborah Lucas	EA to the Board	dlucas@vcc.ca		1155 East Broadway Vancouver BC V5T 4V5
Capilano University	Cherian (Cherry) Itty	Marika Morissette	EA to the Board	marikamorissette@capilano.ca	604 984-4933	2055 Purcell Way North Vancouver BC V7J 3H5

Board Secretaries/ Supports Contact Information

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Kwantlen Polytechnic University	Sandra Case	Keri van Gerven	Assistant to the President	keri.vangerven@kpu.ca	604 599-2078	12666 72 nd Avenue Surrey BC V3W 2M8
Royal Roads University	Nelson Chan	Virginia Whitehead	Board Secretary	Personal Information	250 391-2600 Personal Information	2005 Sooke Road Victoria BC V9B 5Y2
Simon Fraser University	Christopher Lewis	Li-Jeen Broshko	Board Secretary	li-jeen_broshko@sfu.ca	778 782-4638	8888 University Drive Burnaby BC V5A 1S6
Thompson Rivers University	Barbara Berger	Charlene Myers	Secretariat	cmyers@tru.ca	250 828-5318	900 McGill Road PO Box 3010 Kamloops BC V2C 5N3
University of British Columbia	Nancy McKenzie	Karen Hakkarain	Board Secretary	karen.hakkarainen@ubc.ca	Personal Information	6328 Memorial Road Vancouver BC V6T 1Z2
University of the Fraser Valley	John C. Pankratz	Al Wiseman	Registrar	al.wiseman@ufv.ca	604 557-4020	33844 King Road Abbotsford BC V2S 7M9

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				Personal Information		
University of Victoria	Cathy McIntyre	Julia Eastman	University Secretary		250-721-8100	Room B102 Sedgewick Building PO Box 1700 Victoria BC V8W 2Y2
Vancouver Island University	Manley McLachlan	Marie Armstrong	University Secretary	Marie.Armstrong@viu.ca	250-740-6564	900 - Fifth Street Nanaimo BC V9R 5S5

Board Secretaries/ Supports Contact Information

Reporting Crowns Agencies						
Board	Board Chair	Secretary	Official Title	Email	Phone	Address
BC Assessment Authority	Sylvia Bishop	Lindy Bremner	Corporate Secretary	lindy.bremner@bcassessment.ca	Personal Information	400 3450 Uptown Blvd. Victoria BC V8Z 0B9
BC Council for International Education	Sherri Bell	Christina Barnett	Executive Assistant	cbarnett@bccie.bc.ca	Personal Information	Suite 603 409 Granville Street Vancouver BC V6C 1T2
BC Games Society	James (Jamey) Paterson	Alison Noble	President & CEO	alisonn@bcgames.org	Personal Information	200 990 Fort Street Victoria BC V8V 3K2
BC Housing Management Commission	Catherine (Cassie) Doyle	Nicole Stinson	Senior Advisor	nstinson@bchousing.org	Personal Information	1701-4555 Kingsway Burnaby BC V5H 4V8
BC Hydro and Power Authority	Kenneth (Ken) Peterson	Amy McCallion	Corporate Secretary	amy.mccallion@bchyrd.com	604 623-4234	18 th Floor 333 Dunsmuir Street Vancouver BC V6B 5R3
BC Immigrant Investment Fund Ltd.	Jill Kot	Angela Deering	Corporate Secretary	angela.deering@gov.bc.ca	Personal Information	8th Floor 1810 Blanshard Street Victoria BC V8W 9N3
BC Infrastructure Benefits	Grant Main Lori Wanamaker	Stephanie Van Veen	Governance contact	Personal Information	Personal Information	9th Floor 1188 West Georgia Street Vancouver BC V6E 4A2
BC Lottery Corporation	Peter Kappel	Christine Carter	Corporate Secretary	Personal Information	604 225-6399	74 West Seymour Street Kamloops BC

Board Secretaries/ Supports Contact Information

						V2C 1E2
BC Oil and Gas Commission	Fazil Mihlar	Stacey Bligh	Corporate Secretary	stacey.bligh@bcogc.ca	250-419-4452	PO Box 9331 Stn Prov Govt Victoria BC V8W 9N3
BC Pavillion Corporation	Ian Aikenhead	Rehana Din	CFO	rdin@bcpavco.com	604 484-5226	Suite 200 - 999 Canada Place, Vancouver, V6C3C1
BC Securities Commission	Brenda M. Leong	Lynn Joly	Manager of HR, Corporate Services	ljoly@bcsc.bc.ca	604- 899-6521	701 West Georgia Street Box 10142, Pacific Centre Vancouver BC V7Y 1L2
BC Transit Corporation	Catherine Holt	Sacha Ravelli	Executive Assistant to the President & CEO and Board of Directors	Personal Information	Personal Information	Box 610 Victoria BC V8W 2P3
Columbia Basin Trust		Jane Medlar	Executive Assistant & Corporate Secretary	jmedlar@cbt.org	Personal Information	Suite 300 445 – 13 Ave. Castlegar BC V1N 1G1
Columbia Power Corporation		Sheana Green	Corporate Secretary/ Executive Assistant	sheana.green@columbiapower.org	250-304-6066	Suite 200, 445 – 13th Avenue Castlegar BC V1N 1G1
Community Living British Columbia	Michael Prince	Donna Nordmann	Board Liaison	donna.nordmann@gov.bc.ca	604-664-0823	7th Floor, 1200 – West 73rd Avenue Vancouver BC V6P 6G5
Destination British Columbia	Dawn Black	Nicole Endrizzi	Assistant Corporate Secretary	Nicole.endrizzi@destinationbc.ca	604-660-2153	12 th Floor – 510 Burrard Street Vancouver BC V6C 3AE

Board Secretaries/ Supports Contact Information

First Peoples' Cultural Council¹	Cynthia Callison	Claudine Buffalo	Executive Assistant to CWO	Claudine@fpcc.ca	250-652-5952 ext ^{Personal}	1A Boat Ramp Road Brentwood Bay BC V8M 1N9
Forestry Innovation Investment Ltd.	Silas Brownsey	Victoria Hayes	Director, Corporate Relations (also Board Secretary)	victoria.hayes@bcfii.ca	604-601 5315	Suite 1200 – 1130 Pender Street West Vancouver BC V6E 4A4
Insurance Corporation of British Columbia (ICBC)	Joy MacPhail	Chris Putney	Assistant Corporate Secretary	Christopher.Putney@icbc.com	Personal Information	151 Esplanade West North Vancouver BC V7M 3H9
Industry Training Authority	Cindy Oliver	Michelle Vucko	Executive Assistant to the Board of Directors	mvucko@itabc.ca	778-785-2407	800-8100 Granville Avenue Richmond BC V6Y 3T6
Innovate BC	Alan Shaver	Michelle Foster	Office Manager		604-602-5221	9th Floor, 1188 West Georgia St, V6E 4A2
Knowledge Network Corporation	Maurine Karagianis	Pamela Thomas	Board Support	Personal Information	Personal Information	4355 Mathissi Place Burnaby BC V5G 4S8
Legal Services Society		Gulnar Nanjijuma	Executive and Board Coordinator/ Assistant Corporate Secretary	gulnar.nanjijuma@lss.bc.ca	604-601-6138	400 – 510 Burrard St Vancouver BC V6C 3A8
Partnerships British Columbia	Dana Hayden	Chan-Seng Lee	VP Finance & Admin	chan-seng.lee@partnershipsbc.ca	604-806-4170	Suite 2320, 1111 West Georgia St

¹ Legal name is First Peoples' Heritage, Language and Culture Council

Board Secretaries/ Supports Contact Information

					Personal Information	Vancouver BC V6E 4M3
Real Estate Council of British Columbia	Marian Duvall	Erin Seeley	CEO	eseeley@recbc.ca		900-750 West Pender Street Vancouver BC Canada V6C 2T8
Royal British Columbia Museum		Lily Jer-Nakamura	Executive Coordinator	ljernakamura@royalbcmuseum.bc.ca	250-953-4015	675 Belleville Street, Victoria BC V8W 9W2
Transportation Investment Corporation	Sabine Feulgen	Cathy Young	Corporate Secretary	Cathy.Young@gov.bc.ca	Personal Information	Suite 210 - 1500 Woolridge Street, Coquitlam BC V3K 0B9
WorkSafeBC	Jeffrey Par	Ian Shaw	General Counsel and Secretary to WorkSafeBC	Personal Information	Personal Information	6951 Westminster Highway Richmond BC V7C 1C6

GENDER EQUITY OFFICE

ADM Responsible: Elizabeth MacMillan

Core Business/ Program Area Description/Critical Business Processes:

The Premier appointed a new Parliamentary Secretary for Gender Equity in February 2018 to serve under the direction of the Minister of Finance. The Parliamentary Secretary has the following mandate:

- Ensure gender equity is reflected in government budgets, policies and programs;
- Co-ordinate cross-government action on gender issues, including gender violence, gender equality and women's economic empowerment;
- Track progress on the National Inquiry into Missing and Murdered Indigenous Women;
- Liaise with feminist and women's organizations; and
- Promote gender equity and leadership at senior levels in the public and private sector.

The **Gender Equity Office (GEO)** was established in mid-April 2018 to support the Parliamentary Secretary's mandate and to ensure that gender equity is a priority across government.

On July 13, 2018, the Deputy Minister Council approved a 3-year Gender-Based Analysis Plus (GBA+) implementation plan for the British Columbia public service. GBA+ is an analytical tool which ensures that gender and diversity issues are considered as part of policy, budget, and program development processes. A portion of the Gender Equity Office budget (total staffing and operational budget) involves training, coordination and monitoring and reporting for GBA+ implementation.

Advice/Recommendations

The Framework is overall strengthened by the implementation of GBA+ across the public service. The goals of the Gender Equity Framework can only be accomplished by working cross-government with Ministry partners.

In 2019, British Columbia co-chaired the National Forum on the Status of Women with the federal government and hosted the annual meeting of Ministers on December 3 - 4, 2019 in Victoria. This reestablished a significant presence for BC at this table and a leadership role in identifying priorities to advance gender equality across Canada.

Budget: 2020/21:

Government Financial Information

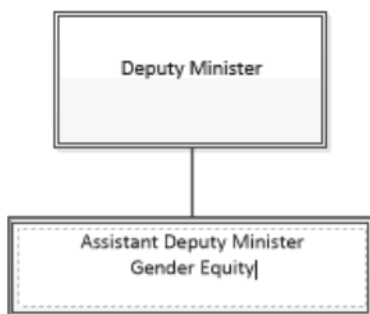
Full Time Equivalents (FTEs):

3 FTEs as of September 26, 2020

Related Legislation:

N/A

Organizational Chart:



30/60/90 DAY DECISIONS
Gender Equity Office

Corporate Issues

30/60/90	Issue	Division Resp
60-90	Ministerial Approval of Status of Women Federal-Provincial-Territorial Documents	GEO

INFORMATION NOTES
Gender Equity Office

Corporate Notes

	Topic	Division Resp
Advice/Recommendations	the Non-Consensual Disclosure of Intimate Images	GEO

Ministry Notes

	Topic	Division Resp
Advice/Recommendations		GEO
	Emergency Sexual Assault Grant Program	GEO
	Gender Pay Gap	GEO
Cabinet Confidences		GEO
	Overview & History of Gender Equity Office	GEO
	Missing & Murdered Indigenous Women and Girls (MMIWG)	GEO

CORPORATE ISSUE/OPPORTUNITY NOTE

Issue:

Advice/Recommendations

Distribution of Intimate Images (NCDII) Legislation.

Non-Consensual

Background:

- NCDII is a form of gender-based violence.
- More commonly referred to as revenge porn, it can be part of domestic violence as partners use the threat of distributing intimate images to prevent women from leaving the relationship, or distribute the images to cause economic, psychological, and physical harm when they do.
- It can also be used as a tool for sexual cyberbullying, often targeting teenage girls.
- In the context of COVID-19, the spike in youth and adults' online activity raises the risk of intimate images being created and shared without consent in the near and long term. Reports related to this heightened risk are materializing.¹
- Although NCDII is a crime in Canada, six provinces² (Alberta, Manitoba, Saskatchewan, Newfoundland and Labrador, and PEI) have legislation that provide victims recourse through the civil court system, including compensation for the harm caused by the circulation of images.

Advice/Recommendations

- Appendix One provides a breakdown of the civil legislation in place in other provinces, and the ULCC draft statute. Distinct features of the latter include:
 - expands the definition of intimate image to include altered images i.e. deep fakes
 - applies both to circulating intimate images without consent and threatening to distribute intimate images without consent
 - provides victims two types of recourse, a new fast tract option focused on the expedited take-down and de-indexing of images, plus a more standard claim for damages via statutory tort. A person can pursue both remedies.

¹ i.e. *Coronavirus: 'Revenge porn' surge hits helpline* (<https://www.bbc.com/news/stories-52413994>); *Sexual image extortions on the rise in Surrey: RCMP* (<https://vancouver.sun.com/news/sexual-image-extortions-on-the-rise-in-surrey-rcmp>)

² Under their respective acts, Alberta, Manitoba, Saskatchewan, Newfoundland and Labrador, PEI make revenge porn a statutory tort. Nova Scotia legislation does not provide for a victim to file a tort claim, but the courts can still award damages.

Issue/Opportunity:

Advice/Recommendations

Core Components of NCDII Acts Enacted Other Provinces (table covers P/T with statutes)

Province and Name of Legislation	Definition of Intimate Image	Definition of Distribution	Action	Proof of Harm/ Damage	Expectation of Privacy	Defence	Court of Jurisdiction and Available Remedies	Publication Bans	Distinct elements
<p>Manitoba</p> <p>The Intimate Image Protection Act</p> <p>Came into force on January 2016</p>	<p>A visual recording of a person made by any means, including a photograph, film or video recording, in which the person depicted in the image is nude, or is exposing his or her genital organs or anal region or her breasts, or is engaged in explicit sexual activity; which was recorded in circumstances that gave rise to a reasonable expectation of privacy in respect of that image; and if the image has been distributed, in which the person depicted in the image retained a reasonable expectation of privacy at the time it was distributed s. 1(1)</p>	<p>A person distributes an intimate image if he or she knowingly publishes, transmits, sells, advertises, or otherwise distributes or makes the image available to a person other than the person depicted in the image s. 1(2)</p>	<p>Tort: A person who distributes an intimate image of another person knowing that the person depicted in the image did not consent to the distribution, or is reckless as to whether or not that person consented to the distribution, commits a tort against that other person. s. 11(1)</p>	<p>No. An action for distribution of an intimate image without consent may be brought without proof of damage. s. 11 (2)</p>	<p>Expectation of privacy not lost if person consented to another person recording the image, or shared image with another, provided the other person knew or ought reasonably to have known the person depicted in the image did not consent to further distribution s. 12</p>	<p>Public Interest: It is a defence if the distribution of the intimate image is in the public interest and does not extend beyond what is in the public interest s.13</p>	<p>Superior (Queen's Bench) s. 1(1)</p> <p>The court may award damages (general, special, aggravated, punitive); order the defendant to account to the plaintiff for any profits that have accrued to the defendant as a result of the non-consensual distribution of the intimate image; issue an injunction. Orders related to profits are not to affect the damages awarded. The court can also make any other order it considers just and reasonable in the circumstances s. 14</p>	<p>Publication ban of identifying Information of any party if in the interests of justice. s. 15</p>	<p>1/ Providing information and assistance to victims of NCDII and persons who are concerned that images are about to be distributed, is set out in in the first sections of statute, s2-10, and attendant regulation, <i>Intimate Image Protection Regulation</i>. These resources can be delivered via an agency named in regulation, and currently the Manitoba government has designated the Canadian Centre for Child Protection (C3P) to provide these resources</p> <p>Pursuant to the statute and the regulation, the C3P provides information / assistance to help a person have an intimate image returned, destroyed, deleted or removed from the Internet or any other platform where it can be viewed; info/assistance to facilitate the resolution of a dispute with the person who has or may distribute the image without consent. It also can provide info about legal remedies and protections when an image is distributed or there is a concern it may be distributed</p> <p>Though the statute does not set out a specific action of claim against threats of NCDII, its first part acknowledges that persons need assistance and solutions against these threats i.e. Section 8 of the Act provides for a notice to be sent to a person who has either distributed or is about to distribute an image without consent. The notice can set out that the person does not have consent and the legal consequences of NCDII</p> <p>2/ The act includes a statutory review provision of 5 years, s.17</p>

Province and Name of Legislation	Definition of Intimate Image	Definition of Distribution	Action	Proof of Harm/ Damage	Expectation of Privacy	Defence	Court of Jurisdiction and Available Remedies	Publication Bans	Distinct elements
<p>Alberta</p> <p>Protecting Victims of Non-Consensual Distribution of Intimate Images Act</p> <p>Came into force August 2017</p> <p>The legislation that created this statute also amended the Education Act so principals could suspend and recommend expulsion of student for NCDII.</p>	Ibid, s. 1(b)	Ibid, s. 2	Ibid s.3	ibid s. 4	Ibid, s.5	Ibid, s. 6	<p>Silent on court</p> <p>Remedies: ibid s. 7</p>	Silent on Publication Ban	<p>1/ History: The statute is the result of the Alberta legislature under an NDP government passing a private member's bill tabled by MLA Scott Cyr from the former Wildrose caucus. The bill also amended the Education Act for principals to suspend and recommend expulsion of students for NCDII</p> <p>2/ Section limiting parental liability (s.8) – if a minor distributes image, a parent is not also liable unless the parent directly participated in the NCDII</p>
<p>Saskatchewan</p> <p>The Privacy Act, Part 2 - Privacy of Intimate Images</p> <p>The Privacy Amendment Act, 2017 created a new section of the province's act containing measures to allow a person to</p>	Ibid, s. 7.1	A person distributes an intimate image if he or she publishes, transmits, sells, advertises, or otherwise distributes or makes the image available to a person other than the person	Tort -A person who distributes an intimate image of another person knowing that the person depicted in the image did not consent to the distribution, or is reckless as to whether or not that person consented to the distribution,	ibid s. 7.3(3)	Ibid s. 7.4	Ibid, s.7.6	<p>Superior Court (Queen's Bench) and Provincial Court - Small Claims Court for claims <30,000 in damages - <i>Privacy Regulations</i> s. 3.</p> <p>Remedies, ibid, s.7.7</p>	<p>Publication ban of identifying information if in the interests of justice. s. 7.8</p>	<p>1/ Reverse onus of proof, section 7.5</p> <p>2/ In addition to Superior Court (Court of Queen's Bench) actions can be heard in Provincial Court - Small Claims Court pursuant to Section 3 of the <i>Privacy Regulations</i></p>

Province and Name of Legislation	Definition of Intimate Image	Definition of Distribution	Action	Proof of Harm/ Damage	Expectation of Privacy	Defence	Court of Jurisdiction and Available Remedies	Publication Bans	Distinct elements
<p>commence an action due to NCDII, and civil remedies to deter, prevent and respond to harms caused by NCDII</p> <p>The new Part 2 came into force September 2018</p>		depicted in the image s. 7.2	<p>commits a tort against that other person s.7.3</p> <p>Transfers burden of proof to defendant through Reverse Onus section, s. 7.5</p> <p>If an action is commenced, distribution is presumed not to have been made with the consent of the person depicted in the image; defendant must establish that he/she had reasonable grounds to believe he/she had ongoing consent for distribution of that intimate image</p>						
<p>Nova Scotia</p> <p>Intimate Images and Cyber-Protection Act; Came into force July 2018</p>	Ibid, s. 3(f)	Part of s.3(d): "Distribute without consent": in respect of an intimate image, means to publish, transmit, sell, advertise or otherwise distribute the image to or make the image available to a person other than the person	<p>Not a tort per say, but damages can be awarded.</p> <p>Provides that an individual whose intimate image was distributed without consent may apply to the Court for an order, and if a minor his/her guardian may apply; similarly, when the individual committing the</p>	Silent	Ibid s.4	Ibid s.7(1)	<p>Superior Court – Supreme Court of Nova Scotia s.3 (b)</p> <p>Remedies: Where the Court is satisfied that a person has distributed an intimate image without consent, the Court can make one or more orders, including: prohibiting the person from distributing the intimate image; prohibiting the person from future contact with</p>	<p>Mandatory Publication ban for minors. s. 8</p> <p>Upon applicant request, publication ban s. 9</p>	<p>1/ Similar to Manitoba legislation, information and assistance including dispute resolution to help victims is set out in the statute, and can be delivered through designated agency, s. 12; CYBER SCAN is currently the designated agency*</p> <p>2/Publication ban of minors, s.8</p> <p>3/Cause of action against NCDII is not a tort per say, but enumerated remedies can include damages and accounting for profits accrued from NDCII</p> <p>4/Enumerated remedies via cyber protection orders more extensive than other provincial statutes, including take down orders and dispute resolution</p>

Province and Name of Legislation	Definition of Intimate Image	Definition of Distribution	Action	Proof of Harm/ Damage	Expectation of Privacy	Defence	Court of Jurisdiction and Available Remedies	Publication Bans	Distinct elements
		depicted in the image while (i) knowing that the person in the image did not consent to the distribution, or (ii) being reckless as to whether that person consented to the distribution	NCDII is a minor or whose electronic device, IP address, website, email, user name is identified as being used for distribution, their guardian is named as the respondent in the application for the order s.5				the applicant or another person; requiring the person to take down or disable access to an intimate image or communication; declare that an image is an intimate image; refer the matter to dispute-resolution; award damages and order the accounting of profits accrued from NCDII- s.6(1); s.6(3) The court can also order an individual to provide information to help identify the person who distributed image, and take down the image; s. 6(2)		5/Enumerates factors that court is to consider in determining whether to issue an order and its scope, including: manner and repetition of conduct; age and vulnerability of victim; conduct, age and maturity of individual responsible for distribution; extent of distribution; the nature and extent of the harm caused s. 6(7) 6/Like Manitoba includes provision for statutory review: s. 14, within three years
Newfoundland and Labrador Intimate Images Protection Act; passed third reading and received royal assent November 15, 2018	Ibid, s.2 (b)	Adopts definition under SK act A person distributes an intimate image if he or she publishes, transmits, sells, advertises or otherwise makes the intimate image available to a person other than the person depicted in the intimate image, s.3	Tort: A person who distributes an intimate image of another person knowing that the person depicted in the image did not consent to the distribution, or is reckless as to whether or not that person consented to the distribution, commits a tort against that other person, s.4 Like Saskatchewan, has a reverse onus section transferring burden of proof to defendant, s.7	No. An action for distribution of an intimate image without consent may be brought without proof of damage, s.5	Ibid. s.6	Ibid, s.8	Superior Court - Supreme Court of Newfoundland and Labrador, s.2 (a) Remedies - section 9, aligned with those provided in SK, Alberta, Manitoba statutes: the court may award damages (general, special, aggravated, punitive); order the defendant to account to the plaintiff for any profits that have accrued to the defendant as a result of the non-consensual distribution of the intimate image; issue an injunction. Orders related to profits are not to affect the	Publication ban of identifying information of any party if in the interests of justice; also ban when case involves minor s. 10 (3)	1/ Reverse onus of proof, s.7 2/ Publication ban section also covers minors, s.10

Province and Name of Legislation	Definition of Intimate Image	Definition of Distribution	Action	Proof of Harm/ Damage	Expectation of Privacy	Defence	Court of Jurisdiction and Available Remedies	Publication Bans	Distinct elements
							damages awarded. The court can also make any other order it considers just and reasonable in the circumstances		
<p>PEI</p> <p>Intimate Images Protection Act</p> <p>Received Royal Assent July 14, 2020</p> <p>Coming into effect January 2021 (180 days after receiving royal assent)</p>	Expands definition to include showering, toileting, undressing, and upskirting	<p>A person distributes an intimate image where that person publishes, transmits, sells, advertises or otherwise makes the intimate image available to a person other than the person depicted in the intimate image, s.2</p> <p>-</p>	<p>Tort, which includes threat to distribute:</p> <p>The tort occurs when a person who distributes or threatens to distribute an intimate image of another person knowing that the person depicted in the image did not consent to the distribution, or is reckless as to whether or not that person consented to the distribution, s.3</p> <p>Like Saskatchewan, has a reverse onus section transferring burden of proof to defendant, s.6</p>	No, s.4	Ibid, s.5	<p>Ibid, s.7, enumerates circumstances when images are shared in the public interest:</p> <ul style="list-style-type: none"> -law enforcement; -legal proceeding; -medical education or treatment; -reporting or investigation of unlawful conduct or unsolicited and unwelcome conduct; -reasonably intended to assist the depicted individual <p>The act also states that the distribution of an image does not meet the public interest test because the person in</p>	<p>Superior Court - Supreme Court of PEI</p> <p>Remedies - section 8, aligned with those provided in SK, Alberta, Manitoba statutes</p>	<p>Publication ban when minors involved in the action</p> <p>Ban in place when action involving adults commences, can be maintained by order of the court in the interests of justice</p>	<p>1/ Definition of intimate image includes showering, toileting, undressing, and upskirting</p> <p>2/Tort includes threat to distribute</p> <p>3/Enumerates circumstances when the public interest defence would be available, and that the public interest test is not met when the person in the image is a public figure</p> <p>4/Publication ban for minors; ban also in place when cases involving adults commence and court will determine whether to sustain it</p> <p>5/ Section limiting parental liability (s.9) – if a minor distributes image, a parent is not also liable unless the parent directly participated in the NCDII</p> <p>6/History of the legislation – The statute is the result of the PEI legislature passing a private member’s bill tabled by a Green MLA.</p>

Province and Name of Legislation	Definition of Intimate Image	Definition of Distribution	Action	Proof of Harm/ Damage	Expectation of Privacy	Defence	Court of Jurisdiction and Available Remedies	Publication Bans	Distinct elements
						the image is a public figure			
ULCC: Draft Uniform NCDII Act 2020	Expands definition to include altered images (this captures deep fakes), near nudes -person in the image does not need to be identifiable by a third party	Transmit, publish, or otherwise make accessible -definition does not include knowledge or intent to distribute	Two main elements: i/Fast track cause of action whose purpose is to provide for- cheaply and quickly- the take down/de-indexing of images, and destruction of images in the respondent's possession or control. It also provides for the award of nominal damages ii/ More traditional tort under which court can award compensatory, punitive, aggravated, damages -both cover actual distribution of images and threat of distribution -excerpt from the 2019 proposal paper on expanding the actions to include the threat to distribute: <i>"The threat of disclosure of an intimate image is potentially harmful without actual distribution of the image,</i>	No proof of damage required for either the fast track cause of action or more traditional tort	Presumably not lost	Defence for fast track cause of action: actual consent to distribute Defences available under more traditional tort claim: -consent, or reasonable and honest belief that the person had consent to distribute; -lack of intent to distribute; -public interest i.e. disclosure for law enforcement	<i>Jurisdiction</i> TBD by each P/T (B.C.'s CRT was mentioned in the 2019 proposal paper) <i>Remedies</i> Under fast track cause of action: -declaratory order that enables plaintiff to get the internet intermediary to remove /de-index image; -order that respondent make the image inaccessible, including by seeking the removal/ de-indexing of the image by the internet intermediary, and destroying copies of the image in the respondent's possession / control; -injunction from distributing image when respondent makes threat to distribute; -nominal damages Under more traditional tort: - general, punitive, aggravated, special damages; -orders and injunctions that are also available under the fast track cause of action	Publication ban for plaintiffs who make application for fast track cause of action or claim for traditional tort	Refer to preceding cells Also, the draft act includes the provision that consent is revocable, and that internet intermediaries are protected from legal liability if they take reasonable steps to address unlawful distribution of intimate images

Province and Name of Legislation	Definition of Intimate Image	Definition of Distribution	Action	Proof of Harm/ Damage	Expectation of Privacy	Defence	Court of Jurisdiction and Available Remedies	Publication Bans	Distinct elements
			<p><i>justifying access to the fast-track NCDII tort and/or a potential damages award. For example, individual A might threaten to distribute the photo if individual B breaks up with him/her or fails to comply with whatever demands individual A imagines. Such threats are increasingly common. It is evident in domestic abuse, where technology is used to exert power and control"</i></p>						

INFORMATION NOTE

Issue:

- The economic downturn from the COVID-19 pandemic is impacting British Columbia (BC)'s diverse population in different ways.

Background:

- The impacts of the COVID-19 pandemic on the economy are ongoing. It is challenging to offer forward-looking analysis given the dynamic and varied impacts worldwide.
- That said, the Ministry of Finance's Gender Equity Office has been continuously applying Gender-Based Plus (GBA+) to the pandemic to better understand the ongoing economic impacts on British Columbians.
- Initial analysis indicates that there are likely to be short- and long-term impacts affecting different demographics in different ways, with the long-term impacts likely to disproportionately affect marginalized populations.
- A gender analysis indicates that women are likely at a higher risk of long-term economic insecurity as a result of COVID-19, based on gaps that existed prior to the outbreak:
 - In BC, women are over-represented in part-time and minimum wage work, making up 62% of minimum wage workers in BC¹ and 70% of minimum wage earners between the ages of 25-54.²
 - Women are also more likely to take on a double burden of having to balance work and care for children and seniors. In Canada, women are twice as likely as men to work part time and, among women in the core-aged workforce (ages 25-54), caring for children is a top driver for working part-time.³
 - For women business owners and entrepreneurs (especially those balancing childcare), pre-existing barriers such as limited access to financing, networks, training, and mentors may make their recovery that much more precarious.⁴
- In addition to job losses and lay-offs disproportionately affecting women, other women are choosing to leave the workforce. An immediate impact of women leaving the workforce is a reduced workforce to support economic recovery. A longer-term impact could include reduced advancement in the workplace of women and other equity-seeking groups (e.g. less opportunity to maintain or upgrade skills, which could allow them to move up within a sector or organization). For example, academia has reported reduced participation of diverse non-binary people and women in conferences, research, and publication. This also impacts the diversity of perspectives and research in journal articles and conference panels.
- In addition to gender, the heightened economic insecurity associated with the pandemic is more likely to be compounded by intersecting and systemic discrimination such as colonialism, ableism, and racism.

¹ BC Fair Wages Commission Report, Jan. 2018

² BC Federation of Labour, fact sheet, retrieved March 17, 2020,

<https://bcfed.ca/sites/default/files/attachments/BCFED%20minimum%20wage%20fact%20sheet%20-%20women.pdf>

³ *Who Works Part Time and Why?* Statistics Canada. November 6, 2018. <https://www150.statcan.gc.ca/n1/pub/71-222-x/71-222-x2018002-eng.htm>

⁴ *Women Entrepreneurship in Canada*. Report prepared for Women Entrepreneurs Saskatchewan by PricewaterhouseCoopers. October 2018. <https://wesk.ca/wp-content/uploads/2018/10/WESK-Report-Oct.-15-2018-PwC-1.pdf>

- Indigenous women in Canada had an average annual employment income of \$33,455 in 2015 (17% less than non-Indigenous women, 28% less than Indigenous men, and 43% less than non-Indigenous men) and were more likely to work in female-dominated sectors that are traditionally undervalued.⁵
- In Canada, only 60.4% of working-age people with disabilities were employed prior to the pandemic, which was more likely to lead to chronic unemployment, under-employment, precarious employment, and/or exploitative employment.⁶
- According to 2016 Census data, people of colour in Canada face a significant racial pay gap, with men of colour earning 78 cents and women of colour earning 59 cents for every dollar that a white man earned.⁷
- Public facing sectors that are largely dominated by women, youth, and people of colour were disproportionately affected by job losses and temporary shutdowns.
 - While employment has rebounded and return to school will likely impact women’s return to work, there was an indication in Canada’s August nationwide Labour Force Survey⁸ that women continue to disproportionately care for children and family members. This likely impacts their ability to return to work.
 - The Survey also noted that Arab, Black, and Southeast Asian Canadians were facing significantly higher unemployment rates.
 - Indigenous people living off-reserve faced employment declines from July to August while employment among non-Indigenous Canadians rose.
 - Youth (15-24) continue to be disproportionately affected and remain the age demographic furthest from their February employment level.

Advice/Recommendations

- The Ministry of Finance’s Gender Equity Office can continue its ongoing GBA+ analysis of the pandemic’s economic impacts and work cross-ministry to include knowledge and data from various program areas and their stakeholders. This ongoing analysis continues to be available to support and inform government’s plan for economic recovery.

⁵ *Economic Participation and Prosperity of Indigenous Women in Canada*. Department of Women and Gender Equality Canada. December 2019.

⁶ *Poverty Reduction in Trans Non-Binary & Two-Spirit Communities: A Summary Report for the British Columbia Ministry of Social Development and Poverty Reduction 2019*

⁷ *Canada’s Colour Coded Income Inequality*. Sheila Block, Grace-Edward Galabuzi, Ricardo Tranjan. December 2019.

<https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2019/12/Canada%27s%20Colour%20Code%20Income%20Inequality.pdf>

⁸ *Labour Force Survey, August 2020*. Statistics Canada. <https://www150.statcan.gc.ca/n1/daily-quotidien/200904/dq200904a-eng.htm>

INFORMATION NOTE

Issue:

Emergency Sexual Assault Response Services Grant Program

- The Province has committed \$10 million to establish a multi-year grant program to support community-based emergency sexual assault response services that are trauma-informed and culturally appropriate and that meet the needs of diverse survivors across the province, including those in Indigenous communities.

Background:

- The Ending Violence Association of BC (EVA BC) is administering the Emergency Sexual Assault Response Services Grant Program in collaboration with the Ministry of Public Safety and Solicitor General (PSSG), the Ministry of Finance's Gender Equity Office (GEO), the Minister's Advisory Council on Indigenous Women (MACIW), and the Ministry of Health (HLTH).
- The Assistant Deputy Minister of GEO is a member of the grant program's Advisory Committee that is chaired by PSSG and EVA BC.
- The grant application process, administered by EVA BC, was launched on August 24, 2020 and closed on September 30, 2020.
- The initiative will support the delivery of coordinated, community-based, emergency sexual assault response services from November 16, 2020 to March 31, 2023.
- There are two grant streams: Indigenous Services Grant Stream (led by Indigenous leaders) and General Services Grant Stream.
- One staff member from the GEO is a member of the review team for the General Services Stream. The review process is taking place throughout October 2020.

INFORMATION NOTE

Issue:

Gender Pay Gap

- BC has one of the largest gender pay gaps in Canada.

Background:

- A 2016 Conference Board of Canada report cites that BC has one of the highest pay gaps in Canada at 22.6%, with women making 77.4 cents for every dollar earned by a man.
- In 2019, Statistics Canada issued a report examining the evolution of the gender pay gap in hourly wages from 1998 to 2018 among employees aged 25 to 54. The report indicates that while the gender gap in hourly wages has narrowed by 5.5 percent since 1998, women in Canada still earn 13.3% less, on average, than men. BC is cited as having the largest gap at 18.9 per cent.
 - Note: BC Stats' Provincial Statistician has confirmed that both measures are valid but due to different methodology used, are not directly comparable. Also, the calculations above are unadjusted pay gap calculations, i.e. they are averages of all men and all women, not adjusted for job or sector.
- In addition to just gender, Indigenous women in Canada had an average annual employment income of \$33,455 in 2015 (17% less than non-Indigenous women, 28% less than Indigenous men, and 43% less than non-Indigenous men).¹ People of colour in Canada face a significant racial pay gap, with men of colour earning 78 cents and women of colour earning 59 cents for every dollar that a white man earned.²
- The gender pay gap is driven by a multitude of systemic factors including: horizontal segregation (women more likely to work in lower paid sectors and job classes), vertical segregation (fewer women in management and executive positions), systemic gender discrimination (women earning less than their male counterparts doing work of equal value), sexual harassment (women facing barriers in the workplace due to sexual harassment), and gender socialization (women are more likely to care for children and other dependents and work part-time).
- The impact of COVID-19 on businesses and employment in BC is expected to be substantial, with the long term impacts dynamic and unknown at this time. As a result, the analysis provided here assesses legislative models based on previously understood, pre-pandemic impacts. It is possible that the pandemic leads to a narrowing of the gender pay gap but as a result of lower employment rates for women,³ i.e. they would have left the paid workforce and no longer appear in the earnings calculations.
- Pre-pandemic research suggests that the majority of the gap starts after a first child is born,⁴ meaning that access to childcare can be the most meaningful measure taken to close the gap. Other

¹ *Economic Participation and Prosperity of Indigenous Women in Canada*. Department of Women and Gender Equality Canada. December 2019.

² *Canada's Colour Coded Income Inequality*. Sheila Block, Grace-Edward Galabuzi, Ricardo Tranjan. December 2019.

<https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2019/12/Canada%27s%20Colour%20Code%20Income%20Inequality.pdf>

³ *The gender pay gap situation in the EU*. European Commission. Accessed April 9, 2020. https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/equal-pay/gender-pay-gap-situation-eu_en

⁴ <https://www.gendereconomy.org/sarah-kaplan-appears-before-the-standing-committee-on-social-policy-regarding-bill-3/>, Accessed March 17, 2020.

non-legislative measures could include the following: voluntary pay transparency system; skills training opportunities for higher valued sectors; stronger sexual harassment policies; increased representation in leadership and senior management positions; higher minimum wage, etc.

- Legislative measures could include the following:
 - Proactive Stand Alone Pay Equity Legislation

Advice/Recommendations

⁵ *Women's Economic Security: Securing the Future of Canada's Economy*. Report of the Standing Committee on the Status of Women. June 2018, 42nd Parliament, 1st Session.

<https://www.ourcommons.ca/Content/Committee/421/FEWO/Reports/RP9974529/feworp12/feworp12-e.pdf> ; *It's Time to Act*. Report of the Special Committee on Pay Equity. June 2016, 42nd Parliament, 1st Session.

<https://www.ourcommons.ca/Content/Committee/421/ESPE/Reports/RP8320461/esperp01/esperp01-e.pdf>

⁶ https://wpcarey.asu.edu/sites/default/files/daniel_wolfenzon_seminar_november_9_2018.pdf, Accessed March 18, 2019.

⁷ Bennedsen, M., et al. "Do firms respond to gender pay gap disclosure?" NBER Working Paper Series, 25435. January 2018.

https://www.df.cl/noticias/site/artic/20190201/asocfile/20190201174506/paper_3_.pdf

⁸ 2020. Australia's Gender Pay Gap Statistics. Accessed March 13, 2020.

<https://www.wgea.gov.au/data/fact-sheets/australias-gender-pay-gap-statistics>

⁹ 2018. In Australia, we're taking a different path to close our gender pay gap.

https://apolitical.co/en/solution_article/in-australia-we-dont-need-transparency-laws-to-tackle-the-gender-pay-gap

¹⁰ 2019. Gender Pay Gap in the UK.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2019> ; *UK Gender Pay Gap for Full-Time Workers Increases*. The Guardian. October 2019. <https://www.theguardian.com/money/2019/oct/29/uk-gender-pay-gap-full-time-workers#maincontent>

INFORMATION NOTE

Issue:

Cabinet Confidences

- A cross-ministry working group was established to monitor and report on increased prevalence of gender-based violence during the COVID-19 pandemic.

Background:

- Globally, COVID-19 measures are expected to exacerbate gender-based violence. The UN Development Program reports 243 million women and girls aged 15 to 49 have experienced intimate partner violence in the past 12 months¹. The UN has called the global increase in gender-based violence the “shadow pandemic”², anticipating an additional 31 million cases if the lockdown continues for six months³, alongside a reduction in prevention and protection efforts, social services, and care.
- Public health measures to protect British Columbians from the spread of COVID-19 and increased stress levels from the health, social, cultural, and economic impacts of the pandemic are likely to increase the risk and impacts of gender-based violence.⁴
- Pre-pandemic data indicate gender-based violence can harm in distinct ways according to different intersections of gender,⁵ impacts of colonization,⁶ age,⁷ (dis)ability,⁸ and region⁹.
- In BC, community supports and various touch points within the gender-based violence support system (e.g., health care system, shelters, victim services, and violence against women and girls programs) have made service delivery modifications in response to the Provincial Health Officer’s orders. These range widely, including measures such as the introduction of remote/virtual services,

¹ United Nations Development Program. Gender-based Violence and COVID-19. [Internet]. 2020 [cited 2020 Aug 14]. Available from: <https://www.undp.org/content/undp/en/home/librarypage/womens-empowerment/gender-based-violence-and-covid-19.html>

² Mlambo-Ngcuka P. Violence against women and girls: the shadow pandemic. [Internet]. UN Women; 2020 [cited Aug 14]. Available from: <https://www.unwomen.org/en/news/stories/2020/4/statement-ed-phumzile-violence-against-women-during-pandemic>

³ UNFPA, with contributions from Avenir Health, Johns Hopkins University (USA) and Victoria University (Australia). [Internet]. UNFPA; 2020 [cited 2020 Aug 17]. Available from: <https://www.unfpa.org/resources/impact-covid-19-pandemic-family-planning-and-ending-gender-based-violence-female-genital>

⁴ Gender-based violence is violence that is committed against someone based on their gender identity, gender expression, or perceived gender. It can be physical, emotional, psychological, or sexual in nature. This type of violence disproportionately impacts women and girls, Indigenous Peoples, and other diverse populations. This definition includes sexual assault and intimate partner or domestic violence. <https://www2.gov.bc.ca/gov/content/safety/public-safety/domestic-violence>

⁵ Women are much more likely to be survivors of domestic violence and men are more likely to cause harm against women. 8 in 10 survivors of intimate partner violence are women and 8 in 10 people accused of intimate partner violence are men. Source: <https://www150.statcan.gc.ca/n1/pub/85-002-x/2018001/article/54978/02-eng.htm>

⁶ Indigenous women in Canada experience higher rates of domestic violence compared to non-Indigenous women. They also face higher rates of domestic homicide. Sources: http://cdhpi.ca/sites/cdhpi.ca/files/Brief_7.pdf & https://www.nwac.ca/wp-content/uploads/2015/05/Fact_Sheet_Violence_Against_Aboriginal_Women.pdf

⁷ Young women are over-represented in intimate partner homicides and men aged 25-34 make up the largest proportion of those accused of intimate partner violence (34%), followed closely by men aged 35-44 (25%). Source: <https://www150.statcan.gc.ca/n1/pub/85-002-x/2018001/article/54893-eng.htm>

⁸ People in Canada with disabilities (particularly women and those with mental disabilities) are at greater risk of sexual violence. Source: <https://www150.statcan.gc.ca/n1/pub/85-002-x/2017001/article/14842-eng.htm>

⁹ Women in rural areas experience the highest overall rates of intimate partner violence (789 per 100,000 population). Source: <https://www2.gov.bc.ca/gov/content/safety/public-safety/domestic-violence#Domestic%20Violence%20and%20Homicide%20in%20Rural%20Remote>

and limits on accompanying survivors receiving services.¹⁰

- This breakdown of community touchpoints, despite efforts made by service providers to fill gaps, means there are likely fewer instances where bystanders can identify and support survivors.
- The Assistant Deputy Minister “COVID-19 and Gender-Based Violence Working Group” was formed in May 2020 to monitor and report on rates of gender-based violence during the COVID-19 pandemic. It is co-chaired by the Ministry of Finance’s Gender Equity Office and the Office of the Provincial Health Officer.^{Cabinet Confidences}

Cabinet Confidences; Advice/Recommendations

¹⁰ BCCDC. People who may be or are experiencing violence. [Internet]. Vancouver, BC: BCCDC; 2020 [cited 2020 Aug 14]. Available from: <http://www.bccdc.ca/health-info/diseases-conditions/covid-19/priority-populations/people-who-may-be-or-are-experiencing-violence>

INFORMATION NOTE

Issue:

- Overview and history of the Ministry of Finance's Gender Equity Office.

Background:

- **History and Context:** In 1995, the Government of Canada adopted the Beijing Declaration and Platform for Action at the 4th UN World Conference on Women, which committed Canada to the implementation of gender mainstreaming (a strategy with Gender-Based Analysis or GBA as a tool).
 - In the same year, BC's Ministry of Women's Equality published the *Gender Lens for Program Evaluation* and the *Gender Lens: A Guide to Gender-Inclusive Policy and Program Development*.
 - In 2009, the Office of the Auditor General of Canada conducted the first audit of GBA in the federal government, which led to an action plan to support its better use in the federal public service. The Office of the Auditor General did a second audit and released a report in 2015. This led to a second GBA Action Plan for 2016-2020, led by Status of Women Canada, the Privy Council Office, and Treasury Board. This also shifted GBA to add the "plus" in order to encourage consideration of multiple identity factors in addition to gender.
 - In February 2018, BC's Premier appointed a Parliamentary Secretary for Gender Equity to serve under the direction of the Minister of Finance.
 - The Ministry of Finance's Gender Equity Office (GEO) was established in mid-April 2018 to support the Parliamentary Secretary's mandate and to ensure that gender equity is a priority across government. This includes implementing Gender-Based Analysis Plus (GBA+).

Advice/Recommendations

- **GBA+ Implementation:** On July 13, 2018, the Deputy Minister Council approved a three-year GBA+ implementation plan for the BC public service.
 - The GEO is the Centre of Responsibility for GBA+. Each ministry has a GBA+ Executive Lead (Assistant Deputy Minister level) responsible for ensuring the application of GBA+ in their respective ministry.
 - The GEO is nearing the end of "Phase Two – Expansion 2019/20". The focus of "Phase Three – Reinforcement 2020/21" is program alignment. This means building sector-specific networks (e.g. coordination among Natural Resource Sector ministries and their respective GBA+ working groups), having all ministries contribute to a GBA+ annual report, continuing GBA+ training across the public service, and having GBA+ inform all budget, policy, and programs.
 - GBA+ is a required component in all Cabinet and Treasury Board Submissions. Ministries are responsible for completing their own GBA+ analysis, but the GEO is available for support.
 - The GEO offers in-person training to all public servants through the Public Service Agency's Learning Centre. Public servants are also encouraged to complete the federal government's online training, especially those not located in Victoria.

- Prior to COVID-19, the GEO was offering these in-person training sessions twice a month at the Learning Centre in Victoria. Approximately 9,500 public servants have completed either this in-person training session, the federal government’s online training, or a ministry-specific training (by request). The ministry-specific training contains the same content as the in-person training, with some minor adaptations to include sector-specific case studies. These case studies are co-developed by the GEO and the ministry contact who is requesting the training.
 - Since early March, in-person training has been suspended due to COVID-19. In the interim, the GEO has been offering virtual training by request. Since May 2020, five of these trainings have been completed with teams from the following Ministries: Forests Lands Natural Resource Operations & Rural Development (FLNRORD), Citizen Services (CITZ), and Energy, Mines & Petroleum Resources (EMPR). Several more are confirmed for October and November with FLNRORD and EMPR.
- In addition to training, staff at the GEO have worked collaboratively with internal partners across government to develop a variety of resources (e.g. a *Program Review Guide* to assist in the review/implementation of programs and services using GBA+).
- Given many public servants have completed introductory GBA+ training (either the GEO offerings or the federal government’s online training), several ministry working groups and staff have asked GEO for additional training and resources to help public servants take their application of GBA+ to the next level and make it even more comprehensive.
- **Gender Responsive Budgeting:** As a first step and to signal the incorporation of GBA+ into foundational government processes, Ministries were encouraged to include GBA+ considerations in their budget submissions for Budget 2019. *Advice/Recommendations*

- Of note, the Government of Canada has similarly been integrating GBA+ into its budget process. In 2018, Parliament passed the *Canadian Gender Budgeting Act*, enshrining into law the consideration of gender equality and diversity in the federal budget process.
- **Disaggregated Data:** Data disaggregated by multiple identity factors supports more evidence-driven decision making and the application of GBA+. Government’s Sex & Gender Data Standard, approved by the Chief Data Officer, is one step toward better data. Additionally, the Office of the Human Rights Commissioner released a report in September 2020 with recommendations on how the Province could collect race-based data. The report explicitly identifies GBA+ as a tool that would be supported by the Commissioner’s recommendations.

INFORMATION NOTE

Issue:

Missing and Murdered Indigenous Women and Girls (MMIWG)

- The Parliamentary Secretary for Gender Equity has been mandated to track the progress of the National Inquiry into Missing and Murdered Indigenous Women and Girls (MMIWG). The Ministry of Finance's Gender Equity Office (GEO) supports the Parliamentary Secretary in fulfilling their mandate, and as such also tracks the progress of this Inquiry.
- The Ministry of Public Safety & Solicitor General (PSSG) is government's lead on this issue and regularly engages with the GEO. Based on community input, a series of foundational recommendations to inform a 'path forward to ending violence' have been developed and are ^{Cabinet} ~~Cabinet~~ Confidences. The federal government is also developing a framework for the development of a National Action Plan.

Background:

- On June 3, 2019 the commission of the National Inquiry released its final report, including 231 Calls for Justice addressing broad systemic causes of violence.
- Over the course of summer 2019, the Province of BC (led by PSSG) supported the facilitation of a series of Indigenous-led, community-based engagement sessions intended to: support healing and community dialogue; and, identify priorities for action and early opportunities to address violence.
- Based on information provided by community members during these sessions, and considering historic input provided by Indigenous communities, survivors and family members, a series of foundational recommendations to inform a 'path forward to ending violence' have been developed and are ^{Cabinet} ~~Cabinet~~ Confidences.
- In the interim, to commemorate the anniversary of the release of the final report, the province publicly released a milestone document on June 3, 2020, confirming government's commitment to ending violence and highlighting key actions taken to respond to the Calls to Justice.
- The federal government is currently in the process of articulating a framework for the development of a National Action Plan (NAP).

Intergovernmental Communications

- Successful implementation of a path forward would ultimately reduce gender-based violence committed against Indigenous women and girls. This would support the GEO's mandate to end gender-based violence.

- Support of Indigenous partners on this critical issue will build towards reconciliation and fulfill the Province of BC's commitment to the UN Declaration on the Rights of Indigenous Peoples.

MINISTRY OF FINANCE
KEY STAKEHOLDERS

Branch	Organization	Contact	Description	Key Issues
GEO	BC Society of Transition Houses	Amy Fitzgerald Executive Director 604-669-6943 ext. 233 amy@bcsth.ca	The BC Society of Transition Houses provides support to Transition, Second and Third Stage Houses, Safe Homes and PEACE (formerly Children Who Witness Abuse) and Violence is Preventable programs through training, advocacy, research and resources. They target the prevention and end of violence against women, children and youth.	<ul style="list-style-type: none"> • Transition Housing • Gender-Based Violence • Impacts of the COVID-19 Pandemic
GEO	Bridges for Women Society	Valerie St. John Interim Executive Director 250-385-7410 ext 102 Personal Information	Bridges is a non-profit that inspires diverse women impacted by violence or abuse, to reclaim their lives and build economic stability. Bridges draws on its extensive knowledge of the impacts of abuse on employability, to provide education, training and consulting to community agencies, employers and government.	<ul style="list-style-type: none"> • Gender-Based Violence • Women's Political and Economic Empowerment • Impacts of the COVID-19 Pandemic

Branch	Organization	Contact	Description	Key Issues
GEO	Ending Violence Association of British Columbia	Tracey Porteous Executive Director 604-633-2506 porteous@endingviolence.org	The Ending Violence Association of BC (EVA BC) is a provincial association that since 1992, has trained and supported more than 300 anti-violence programs and cross-sector initiatives across the province that respond to sexual and domestic violence, child abuse, and criminal harassment. Their members include outreach, advocacy, and community support providers from across BC. EVA BC advocates for transgender inclusion in all of their relationships and partnerships. Recently, the Province of BC allocated \$10 million to EVA BC to support emergency sexual assault response services.	<ul style="list-style-type: none"> • Gender-Based Violence • Sexual Assault Response • Gender Inclusivity
GEO	Feminists Deliver	Angela Marie MacDougall Jennifer Johnstone Co-Chairs Personal Information	Feminists Deliver is a grassroots collaboration of BC-based Two-Spirit people, non-binary folks, Indigiqueer, trans women, lesbian women, and cis women and girls. They advocate for progressive social change, with an intersectional and inclusive approach.	<ul style="list-style-type: none"> • Gender-Based Violence • Women's Political and Economic Empowerment • Anti-Racism • MMIWG • Impacts of the COVID-19 Pandemic • Economic Recovery

Branch	Organization	Contact	Description	Key Issues
GEO	Justice for Girls	Tracey McIntosh Zoe Craig-Sparrow Co-Directors Tracey: 604-785-7063 Zoe: 604-785-2242 Personal Information Personal Information	Justice for Girls is a Canadian non-profit organization and registered charity which promotes equality, freedom from violence, and the health and wellness of teenage girls who live in poverty. Their primary areas of action include criminal justice monitoring, advocacy and outreach for girls, education, and promoting girls' human rights.	<ul style="list-style-type: none"> • Gender-Based Violence • Women's Political and Economic Empowerment
GEO	Lieutenant Governor of British Columbia	Janet Austin Lieutenant Governor of British Columbia Jerymy Brownridge Private Secretary and Executive Director 250-387-2081 Jerymy.Brownridge@gov.bc.ca	The Honourable Janet Austin was sworn in as the province's 30th Lieutenant Governor in 2018. Her Honour has made Equality, Diversity and Inclusion one of the key themes of her mandate. The Gender Equity Office, the Lieutenant Governor, and Government House have collaborated on several events promoting women's empowerment and gender equality.	<ul style="list-style-type: none"> • Women's Political and Economic Empowerment • Gender Inclusivity
GEO	Minister's Advisory Council on Indigenous Women	Barbara Ward-Burkitt Chair 250-564-3568 bwardburkitt@pgnfc.com	The Minister's Advisory Council on Indigenous Women (MACIW) advocates for the well-being of Indigenous women. They meet quarterly and provide advice and support to the Minister of Indigenous Relations and Reconciliation. The Gender Equity Office has a standing invite to these meetings. GEO's Assistant Deputy Minister has attended all MACIW meetings since June 2018.	<ul style="list-style-type: none"> • Gender-Based Violence • Sexual Assault Response • MMIWG • BC Declaration on the Rights of Indigenous Peoples Act • BC First Nations Justice Strategy • Anti-Racism • Impacts of the COVID-19 Pandemic

Branch	Organization	Contact	Description	Key Issues
GEO	Minerva BC	Tina Strehlke CEO 604-683-7635 tina@minervabc.ca	Minerva BC provides mentorship to individual women and girls through their programs to develop their leadership skills. They also collaboratively support the business community to break down implicit and institutional biases and replace them with attitudes and systems that are supportive to women's achievement.	<ul style="list-style-type: none"> • Women's Political and Economic Empowerment • Closing the Gender Pay Gap • Private and Public Leadership
GEO	Moose Hide Campaign	Paul Lacerte Co-Founder Raven Lacerte Co-Founder and Youth Ambassador Personal Information Personal Information	The Moose Hide Campaign is a grassroots movement, founded by Paul Lacerte and his daughter Raven to help end violence towards women and children. The campaign has grown substantially over the years and has become well known for engaging and inspiring men and boys in the movement to end gender-based violence.	<ul style="list-style-type: none"> • Gender-Based Violence
GEO	QMUNITY	Timothy Agg Interim Executive Director 604-684-5307 ext. 103 Personal Information	QMUNITY is a non-profit organization that works to improve queer, trans, and Two-Spirit lives. They provide a safer space for LGBTQ/2S people and their allies to fully self-express while feeling welcome and included. Their building serves as a catalyst for community initiatives and collective strength.	<ul style="list-style-type: none"> • LGBTQ2S+ Rights • Gender Inclusivity

Branch	Organization	Contact	Description	Key Issues
GEO	University of Victoria, Chair in Transgender Studies	Aaron Devor Chair in Transgender Studies 250-721-7577 transchair@uvic.ca	The Chair in Transgender Studies is committed to driving social change and improving the well-being of trans, nonbinary, Two-Spirit, and other gender-diverse people. They promote scholars in Transgender Studies and are proactive in community outreach. Dr. Devor has been studying and teaching about transgender topics for more than thirty years.	<ul style="list-style-type: none"> • TNB2S+ Rights • Gender Inclusivity
GEO	Vancity	Kirsten Sutton Chief Technology and Information Officer 1-888-826-2489 ext. Persona Personal Information	Vancity is a financial co-operative, focused on improving the financial well-being of all its members and building healthy communities— which includes embracing gender equity and supporting the full economic participation of women. Vancity supports a number of programs related to networking, development, financial literacy, and entrepreneurship for women.	<ul style="list-style-type: none"> • Women’s Political and Economic Empowerment
GEO	West Coast LEAF	Raji Mangat Executive Director 604-684-8772 info@westcoastleaf.org	West Coast LEAF is an organization in BC dedicated to using the law as a strategy to work towards an equal and just society for all women and people who experience gender-based discrimination. In collaboration with community, West Coast LEAF uses litigation, law reform, and public legal education to create social change.	<ul style="list-style-type: none"> • Access to Justice • Women’s Political and Economic Empowerment • Gender-Based Violence • Sexual Assault Response • Closing the Gender Pay Gap • LGBTQ2S+ Rights • Gender Inclusivity • Impacts of the COVID-19 Pandemic

Branch	Organization	Contact	Description	Key Issues
GEO	WISH Drop-In Centre Society	Mebrat Beyene Executive Director 604-669-9474 info@wishdropincentre.org	<p>WISH Drop-In Centre Society provides support to women who work in the street-based sex trade. Their mission is to improve the health, safety and well-being of women who are involved in Vancouver's street-based sex trade. The drop-in centre is located in Vancouver's Downtown Eastside.</p> <p>WISH will also run Canada's first-ever emergency shelter for sex workers, set to open later this fall.</p> <p>While much of the issue of advancing equitable supports for sex workers falls under federal jurisdiction, the Province of BC through the Ministry of Municipal Affairs and Housing has provided operational funding to WISH.</p>	<ul style="list-style-type: none"> • Supports for Sex Workers • Gender-Based Violence • Impacts of the COVID-19 Pandemic
GEO	YWCA Metro Vancouver	Deb Bryant CEO 604-895-5751 Personal Information	<p>YWCA Metro Vancouver's advocates toward achieving women's equality. Their work focusses on lifting women and families out of poverty, providing the best start for children and creating new opportunities for education, employment and leadership. They also target ending violence against women. YWCA Metro Van engages with business, community and government leaders to stimulate reforms made at the policy level.</p>	<ul style="list-style-type: none"> • Women's Political and Economic Empowerment • Gender-Based Violence • Impacts of the COVID-19 Pandemic • Economic Recovery

GOVERNMENT HOUSE

Executive Director Responsible: Jerymy Brownridge

Core Business/ Program Area Description/Critical Business Processes:

The Lieutenant Governor is the Queen's representative and their primary, core role is to uphold the constitutional framework in British Columbia. In this role the Lieutenant Governor personifies the Crown, which is both the apex and the unifying link in the constitutional and political structure of the province – executive, legislative, and judicial. In terms of a continuing, functioning government, and to uphold the constitutional framework of the province, the Lieutenant Governor:

- Ensures the continued existence of government in the province of British Columbia;
- Selects a first minister as Premier of the Province;
- Appoints and administers the Oaths of Office, Allegiance and Confidentiality to the Premier and members of the Executive Council;
- Summons, prorogues and dissolves the Legislature;
- Delivers the Speech from the Throne;
- Provides Royal Assent to provincial legislation;
- Signs orders-in-council, proclamations and other official documents before they have the force of law; and
- Presents bills by message into the Legislature when they involve taxation or expenditure of public money.

In addition to this primary role, **Government House** supports the incumbent Lieutenant Governor in undertaking three additional, core roles:

1. Celebratory/Ceremonial (honoring excellence, celebrating achievement);
2. Promotional (hosting diplomatic and significant guests of the province, profiling British Columbian culture); and
3. Crown and Indigenous Relations.

The Lieutenant Governor carries out duties associated with all four roles by participating in roughly 500 engagements per year; either at Government House, elsewhere in the province, or virtually.

Government House is the centre of hospitality for the province and is also a significant visitor destination, so the facilities are managed by an Executive Director on behalf of the Ministry and supported by a large corps of volunteers.

Budget: 2020/21:

Government Financial
Information

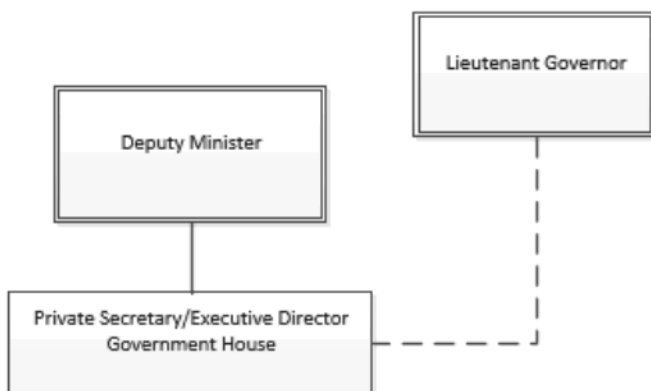
Full Time Equivalent (FTEs):

17.7 FTEs as of September 26, 2020

Related Legislation:

- *British North America Act 1867, Part V*
- *BC Constitution Act Section 3*

Organizational Chart:



INFORMATION NOTES
Government House

Ministry Notes

Topic	Division Resp
Launch a provincial award for reconciliation & Government House Renovations	Gov't House

INFORMATION NOTE

Issue:

1. The Office of the Lieutenant Governor has partnered with the BC Community Achievement Foundation to launch the *British Columbia Reconciliation Awards*.
2. Government House is currently under major refurbishment for the next year and is currently operating with reduced staffing levels.

Background:

1. The incumbent Lieutenant Governor (LG), the Honourable Janet Austin, has made "Reconciliation" a priority element of her mandate. Building on an idea of former LG Steven Point, and after having chatted broadly with Indigenous leaders and the BC Community Achievement Foundation (BCCAF), the LG has committed to launching the *BC Reconciliation Awards* on 15 October 2020. A committee was struck early in 2020, largely comprised of significant leaders in the BC Indigenous community. Members include the Honourable Steven Point and Gwen Point, Chief Dr. Sophie Pierre, Dr. Judith Sayers, Patrick Kelly and others. The Province's Ministry of Indigenous Relations and Reconciliation (MIRR) has also been involved and will be providing support in communications as well as other areas. A soft launch will occur in mid-October with a more aggressive campaign for nominations, and general highlighting of the award in (social) media after the provincial election. In the spring of 2021, the intent will be to award three individuals and two organizations for their respective contributions to the reconciliation process within the province. The BCCAF will administer the award, MIRR will support a fair and wide call-out, and the Office of the LG will provide the apolitical profile.
2. Government House (GH) proper is currently undergoing significant refurbishment, largely to address matters of health and safety and deferred maintenance. The five core areas of work currently being undertaken include; security, fire suppression, electrical upgrades, installation of a back up generator, and HVAC upgrades. None of the work involves changes to the aesthetics, and all work is being managed by the Ministry of Citizen's Services. Consequently, however, GH will not be available as a host venue until the autumn of 2021. This will impact roughly 150 events per year, the majority of which are government related (i.e., new government swearing in ceremonies, Long Service Awards, corrections medals, police honours awards, hosting consular/diplomatic visitors, etc.). Moreover, the LG cannot live on site during refurbishments, nor can she or staff work on site either. Temporary living and office space have been identified. Staff who have left due to attrition have not been replaced, and certain parts of the provincial budget (consumables, for instance) have been reduced for two financial years.

Issue/Opportunity:

- It is the view of the Office of the Lieutenant Governor that there may be an opportunity for various ministries' executives to profile or otherwise support the BC Awards for Reconciliation. The notion has been very well received by many Indigenous and non-Indigenous leaders alike. The awards are timely and could potentially reflect on all of government.

OFFICE OF THE COMPTROLLER GENERAL

ADM Responsible: Carl Fischer, Comptroller General

Core Business/ Program Area Description/Critical Business Processes:

The **Office of the Comptroller General (OCG)** is the lead governance organization for the financial management function of the BC government.

The OCG provides leadership to the public service through:

- Developing and maintaining government's financial management framework through legislation, policies, procedures and guidance;
- Preparing and publishing government's financial statements, including the Public Accounts;
- Managing the design, development and delivery of the government's corporate financial system;
- Providing corporate, risk-based monitoring of compliance with financial legislation and policies aimed at improving the efficiency and economy of internal controls;
- Providing independent and objective audit assurance and advice to support effective financial management, governance, accountability and performance management practices.

As the Chief Financial Officer for the Province, the Comptroller General recommends and champions specific measures to improve financial management accountability and operations of government.

Budget: 2020/21:

\$21.636M

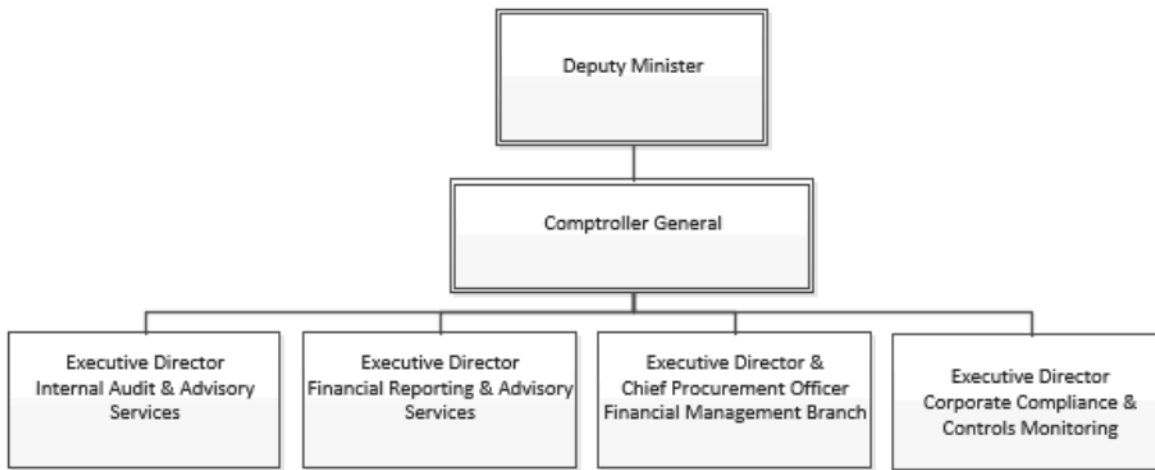
Full Time Equivalent (FTEs):

116.3 FTEs as of September 26, 2020

Related Legislation:

The primary responsibilities of the Comptroller General are stated in sections 8 and 9 of the *Financial Administration Act* but additional authority is granted by other sections. The OCG also has responsibilities in the *Financial Information Act*, the *Unclaimed Property Act*, *Auditor General Act*, *Budget Transparency and Accountability Act*, and the *Balanced Budget and Ministerial Accountability Act*.

Organizational Chart:



INFORMATION NOTES
Office of the Comptroller General

Ministry Notes

	Topic	Division Resp
	Implementation of Public Sector Accounting Standard PS 3450 - Financial Instruments	OCG
Advice/Recommendations		OCG

INFORMATION NOTE

Issue:

- Implementation of Public Sector Accounting Standard PS3450 on Financial Instruments

Background:

- The *Budget Transparency and Accountability Act (BTAA)* requires that the Budget and Public Accounts be prepared on the same accounting basis and conform to generally accepted accounting principles for senior governments in Canada, as supported by Treasury Board regulations. Treasury Board may make regulations to adopt all or a part of a standard issued by a recognized standard setting organization. The Public Accounts for British Columbia are currently prepared using the standards issued by the Public Sector Accounting Standards Board (PSAB).
- In 2003, PSAB initiated a project to provide accounting guidance for financial instruments. Financial Instruments are those contracts that create financial assets in one entity and financial liabilities in another entity. Examples of financial instruments for BC include issuing of BC Bonds or the creating of a loan receivable program.
- In 2011, a final standard was issued for implementation, but was delayed to April 1, 2021 as senior governments in Canada continued to engage with PSAB to address significant challenges with the standard. Implementation has been delayed one additional year to April 1, 2022 due to the global pandemic.
- The new PSAB standard does not support hedge accounting. Hedge accounting is used to mitigate the risks associated with foreign currency rate changes and interest rate fluctuations. Current PSAB standards and the financial instrument standards issued by other recognized standard setters allow governments to present these transactions at cost and on a net basis. The use of hedge accounting fairly represents the substance of risk-managed debt.
- The new PSAB standard requires both the derivative and debt in a hedge transaction to be reported on the gross basis with the derivatives to reported at fair value, and the debt at either fair value or cost. This will cause volatility on the Statement of Financial Position and impact our debt ratios.

Cabinet Confidences; Advice/Recommendations

Page 324 of 458

Withheld pursuant to/removed as

Cabinet Confidences; Advice/Recommendations

INFORMATION NOTE

Issue:
Advice/Recommendations

Background:

- The emergency nature of the pandemic required prompt action by governments across Canada. While timeliness of response is critical governments remain accountable to the public for the use and stewardship of public resources.
- OCG is responsible for establishing the internal control framework followed by ministries that supports program delivery, ensures public money is managed in accordance with effectiveness, efficiency and economy, and maintains the capacity to prepare financial reports that are correct and comprehensive.
- The pandemic introduced a situation where multiple new programs were stood up in a short period of time, many decision makers were working remotely, and normal lead times were no longer feasible.

Advice/Recommendations

Issue/Opportunity:
Advice/Recommendations

OFFICE OF THE SUPERINTENDENT OF REAL ESTATE

Executive Responsible: Micheal Noseworthy, Superintendent of Real Estate

Core Business/ Program Area Description/Critical Business Processes:

The **Office of the Superintendent of Real Estate (OSRE)** is a regulatory agency of the BC government that oversees and regulates the real estate industry in BC. OSRE's main responsibilities include:

- Making rules that govern the professional conduct of individuals and businesses licensed under the *Real Estate Services Act* (RESA) including real estate agents, strata managers and rental property managers;
- Providing oversight of the operations and activities of the Real Estate Council of British Columbia (RECBC), including reviewing the resolution of complaints and discipline decisions;
- Reviewing real estate developer disclosures made under the *Real Estate Development Marketing Act* (REDMA) for consumers purchasing multi-unit residential condos;
- Approving schedules to strata plans related to the creation of strata titles and entrenchment of property owners' rights;
- Investigating and undertaking enforcement action regarding unlicensed activity and developer misconduct in relation to the requirements of RESA and REDMA; and
- Taking enforcement action to ensure developer compliance with requirements of the Condo and Strata Assignment Integrity Register (CSAIR) of purchasers' assignments of strata purchase agreements.

Budget: 2020/21

The Office of the Superintendent of Real Estate operates under a \$1,000 Vote.

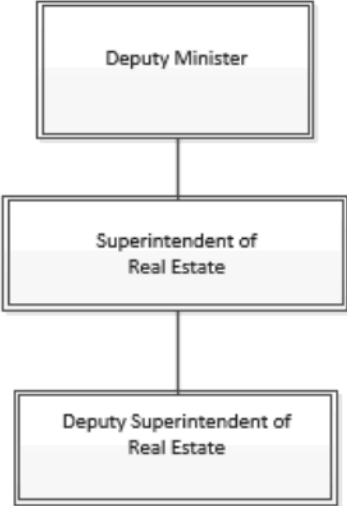
Full Time Equivalents (FTEs):

24 FTEs as of September 26, 2020

Related Legislation:

- *Real Estate Services Act*
- *Real Estate Development Marketing Act*
- *Strata Property Act*

Organizational Chart:



INFORMATION NOTES
Office of the Superintendent of Real Estate

Ministry Notes

Topic	Division Resp
Public Consultation on Proposed Rules to amend Administrative Penalty Regime	OSRE
Regulatory response to COVID-19 Impacts on Real Estate Sector	OSRE
OSRE oversight of RECBC	OSRE
Actions Taken to Reform Conduct & Practices in Real Estate Services Industry	OSRE

INFORMATION NOTE

Issue:

- In September 2020, the Superintendent of Real Estate launched a 45-day public consultation on proposed rules to amend the administrative penalty regime under the *Real Estate Services Act* (RESA).

Background:

- The consultation is the result of a collaborative project between the Office of the Superintendent of Real Estate (OSRE), the Real Estate Council of British Columbia (RECBC), and the Ministry of Finance's Policy and Legislation Division to review RESA's administrative penalty regime and identify ways to enhance its relevance and usage.
- Under section 56 of RESA, the Superintendent may, by rule, designate contraventions of specific rules as being subject to administrative penalties and establish the amount of administrative penalty that may be imposed, up to a maximum of \$50,000.
- Administrative monetary penalties are a common tool used by regulators to deal efficiently and effectively with minor misconduct. In the RESA context, administrative penalties are an intermediate step between a warning and full discipline proceedings which may lead to licence suspension or cancellation among other potential sanctions.

Proposed Rule Changes

- The proposed rule changes will speed up the outcomes of enforcement processes and allow RECBC's investigative and legal teams to increase their focus on more complex and serious cases.
- The rule amendments will also provide licensees with predictable outcomes for most minor infractions of the Real Estate Rules.
- The proposed rule changes do not change any licensee obligations or requirements. They expand the current list of infractions that are eligible for an administrative penalty. The changes would create four separate categories of administrative penalties with increasing penalty amounts corresponding to the level of seriousness and public risk (see Table 1 below). An annotated explanation of the draft rules has been attached for reference as **Appendix A**.
- The proposed new Rules will:
 - Encourage greater compliance, while eliminating the uncertainty and delay of a full discipline process and its potentially greater penalties (e.g. fines up to \$250,000 for individuals, suspensions, enforcement costs)
 - Expedite relatively minor complaints and disciplinary matters, with the continuing protection of a review/appeal process if requested by a licensee
 - Maintain RECBC's discretion to refer matters to full discipline and hearing when warranted, and continue to protect the public interest by ensuring serious contraventions go through the full discipline process

Table 1: Summary of Proposed Administrative Penalty Regime

Category	Penalty Amounts
<p>Category A: Matters are mostly characterized as business management infractions with low risk of harm to consumers and generally easily substantiated.</p>	<p>\$1,000 for a first contravention \$2,000 for a subsequent contravention</p>
<p>Category B: Generally minor matters with no or immaterial harm to consumers, and where imposing an administrative penalty is in the public interest.</p>	<p>\$2,500 for a first contravention \$5,000 for a subsequent contravention</p>
<p>Category C: Contains substantial duties licensees owe to clients and non clients.</p>	<p>\$5,000 for a first contravention \$10,000 for a subsequent contravention</p>
<p>Category D (daily): Matters are mostly characterized as minor matters that present a low risk of harm to consumers, and which have a temporal element.</p>	<p>Base penalty amount: \$1,000 for a first contravention \$2,000 for a subsequent contravention AND if compliance not achieved before the expiry of a warning period, \$250/day thereafter.</p>

Consultation

- The Superintendent launched a public consultation on September 15, 2020, after being delayed for approximately six months due to the COVID-19 pandemic, and it is scheduled to end October 30, 2020. The Superintendent is considering extending the consultation period given OSRE’s challenge to properly engage the real estate industry during the provincial election.
- As part of the consultation materials, OSRE and RECBC have released draft guidelines providing licensees with a clear understanding of the process that RECBC will use in levying administrative penalties. RECBC also released a draft publication policy for comment.
- After the end of the consultation period, the Superintendent will consider all feedback received and determine whether to proceed with the rule changes.
- RECBC council members and staff are eager to see the proposed changes implemented as it will assist with the timely handling of consumer complaints, a key objective in RECBC’s 2020/21 mandate letter.

APPENDIX A: Annotated Draft Rules

The following proposed amendments are intended to come into force immediately upon signing by the Superintendent.

- 1 *The Rules made under the Real Estate Services Act, S.B.C. 2004, c. 42, are proposed to be amended in section 1-1 by repealing the definition of “accountant” and substituting the following:*

accountant means

- (a) a person who is
 - (i) a member of, or is a partnership whose partners are members of, a provincial or territorial institute of chartered accountants within Canada,
 - (ii) a member of a provincial organization of chartered professional accountants within Canada, authorized by that organization to perform an audit,
 - (iii) a professional accounting corporation as defined in the Chartered Professional Accountants Act, authorized by the Chartered Professional Accountants of British Columbia to perform an audit, or
 - (iv) a registered firm as defined in the Chartered Professional Accountants Act, authorized by the Chartered Professional Accountants of British Columbia to perform an audit, or
- (b) as an alternative for a brokerage that is a reporting issuer within the meaning of the Business Corporations Act, a person who is authorized under the Securities Act to make an auditor’s report.

Superintendent’s Comments

The proposed amendment to section 1-1 would create a definition of “accountant” that is consistent with section 205 of the *Business Corporations Act*. Changes to the *Business Corporations Act* came into force in May 2018 that eliminated the Auditor Certification Board by repealing subsection 205(b). That change resulted from the unification of accounting designations in 2015 by the *Chartered Professional Accountants Act*. This proposed amendment will help ensure that the Rules continue to be consistent with relevant provisions of provincial legislation.

- 2 *Section 2-23 is proposed to be repealed and the following substituted:*

Administrative penalties

- 2-23 (1) For the purposes of section 56(1) [*contraventions that may be subject to administrative penalties*] of the Act, contraventions of the rules listed in subsection (2) are designated contraventions to which Division 5 [*Administrative Penalties*] of Part 4 of the Act applies.
- (2) Designated contraventions of these Rules are divided into the following four categories of administrative penalty:
- (a) Category A:

- (i) 2-5 *[residential brokerage offices];*
- (ii) 2-8.1 *[educational requirements on renewal];*
- (iii) 3-1(3) (except as it relates to the maintenance of trust accounts) *[managing broker responsibilities - accounts and records];*
- (iv) 5-2 *[delivery of written agreements to clients];*
- (v) 5-4 *[acceptance of offer];*
- (vi) 7-7 *[annual financial statements, accountant's reports and brokerage activity report];*
- (vii) 8-4 *[general records];*
- (viii) 8-5 *[trading records];*
- (ix) 8-5.1 *[records related to referral fees received by a licensee];*
- (x) 8-5.2 *[records related to referral fees paid];*
- (xi) 8-6 *[rental property management records];*
- (xii) 8-7.1 *[strata management records];*
- (xiii) 8-10 *[retention of records];*
- (xiv) 8-11 *[brokerage obligations on winding up business].*

(b) Category B:

- (i) 2-20 *[brokerage must give immediate notice respecting solvency];*
- (ii) 2-21 *[licensee must give notice of discipline, bankruptcy or criminal proceedings];*
- (iii) 2-22 *[brokerage must give notice of business changes];*
- (iv) 2-22.1 *[personal real estate corporation must give notice of business changes];*
- (v) 3-1(4) *[managing broker responsibilities - notice to parties respecting deposits];*
- (vi) 3-2(2) *[associate broker and representative responsibilities - keeping managing broker informed];*
- (vii) 3-2(4) *[associate broker and representative responsibilities - supervision of employees];*
- (viii) 3-2(5) *[associate broker and representative responsibilities - knowledge of improper conduct];*
- (ix) 3-3.2 *[designated agency].*

(c) Category C:

- (i) 3-3(a) *[act in the best interests of the client];*
- (ii) 3-3(b) *[act in accordance with the lawful instructions of the client];*
- (iii) 3-3(c) *[act only within the scope of the authority given by the client];*
- (iv) 3-3(d) *[advise the client to seek independent professional advice on matters outside of the expertise of the licensee];*
- (v) 3-3(e) *[maintain the confidentiality of information respecting the client];*
- (vi) 3-3(f) *[disclose to the client all known material information respecting the real estate services, and the real estate and the trade in real estate to which the services relate];*
- (vii) 3-3(g) *[communicate all offers to the client in a timely, objective and unbiased manner];*
- (viii) 3-3(h) *[use reasonable efforts to discover relevant facts respecting any real estate*

- that the client is considering acquiring];*
- (ix) 3-3(i) *[take reasonable steps to avoid any conflict of interest];*
- (x) 3-3(j) *[if a conflict of interest does exist, promptly and fully disclose the conflict to the client];*
- (xi) 3-5 *[duty to act with reasonable care and skill].*

(d) Category D:

- (i) 2-17 *[mailing address for delivery];*
- (ii) 2-18.1 *[email address for licensees];*
- (iii) 2-19 *[licensee must reply promptly to council];*
- (iv) 3-2(1) *[associate broker and representative responsibilities - records];*
- (v) 3-2(3) *[associate broker and representative responsibilities - prompt response to managing broker inquiry];*
- (vi) 4-1 *[display and keeping of licenses];*
- (vii) 4-2 *[brokerage signs required];*
- (viii) 4-3 *[restrictions relating to home and personal offices];*
- (ix) 4-5 *[licensee names must be indicated];*
- (x) 4-6 *[restrictions and requirements related to advertising generally];*
- (xi) 4-7 *[false or misleading advertising prohibited];*
- (xii) 4-8 *[advertising in relation to specific real estate];*
- (xiii) 8-1 *[financial records];*
- (xiv) 8-2 *[trust account and general account records];*
- (xv) 8-3 *[pooled trust account records];*
- (xvi) 8-3.1 *[preparation of records after termination];*
- (xvii) 8-9 *[records must be kept up to date];*
- (xviii) 8-9.1 *[electronic records].*

Superintendent's Comments:

Overall, the proposed amendments to administrative penalties, and the publication of RECBC Administrative Penalty Guidelines (Guidelines), are intended to lead to predictable outcomes for the resolution of most minor Rule contraventions. To fully understand the proposed changes, it is important to read the proposed rule changes in conjunction with the proposed Guidelines (link provided below).

All the designated contraventions currently listed in section 2-23 of the Rules remain. The proposed amendment to section 2-23 of the Rules would expand the list of Rules where a contravention may be eligible for an administrative penalty. The expanded designated contraventions include some of the

sections of the Rules that frequently appear in RECBC Consent Orders, such as the duty to act with reasonable care and skill.

Unethical conduct, such as a contravention of the duty to act honestly under section 3-4, or contraventions of the Rules related to disclosures or trust accounting will not be eligible for administrative penalties.

This proposed amendment also lays the foundation to create four separate groups of rule contraventions eligible for administrative penalties. The four separate categories are generally separated based on the risk of consumer harm and distinguished from each other by the penalty amount or method of penalty calculation. The penalty amounts are included in section 2-24 (below). The four categories are:

Category A – matters are mostly characterized as business management infractions with low risk of harm to consumers and generally easily substantiated.

Category B – generally minor matters with no or immaterial harm to consumers, and where imposing an administrative penalty is in the public interest.

Category C – contains substantial duties licensees owe to clients and non-clients (sections 3-3 and 3-5 of the Rules).

Category D (daily) – matters are mostly characterized as minor matters that present a low risk of harm to consumers, and which have a temporal element.

The Real Estate Council of British Columbia (RECBC) is responsible for enforcing licensee conduct requirements in the Rules, including exercising its discretion to determine whether the unique circumstances of a contravention of a rule designated in section 2-23 is appropriate for disposition by imposing an administrative penalty. To help guide the exercise of RECBC's discretion, the criteria for a designated contravention to be eligible for an administrative penalty will be set in the proposed new Guidelines, a draft of which has been published for comment with these proposed Rules. In addition, the Guidelines set out RECBC's process for levying an administrative penalty generally and the reconsideration process available.

3 *Section 2-24 is proposed to be repealed and the following substituted:*

Amount of administrative penalty

2-24 (1) In respect of each contravention of a specified rule in Category A in section 2-23(2)(a) of these Rules the amount of administrative penalty is as follows:

- (a) \$1,000 for a first contravention;
- (b) \$2,000 for a subsequent contravention.

(2) In respect of each contravention of a specified rule in Category B in section 2-23(2)(b) of these Rules the amount of administrative penalty is as follows:

- (a) \$2,500 for a first contravention;
- (b) \$5,000 for a subsequent contravention.

- (3) In respect of each contravention of a specified rule in Category C in section 2-23(2)(c) of these Rules the amount of administrative penalty is as follows:
 - (a) \$5,000 for a first contravention;
 - (b) \$10,000 for a subsequent contravention.

- (4) In respect of each contravention of a specified rule in Category D in section 2-23(2)(d) of these Rules the amount of administrative penalty is as follows:
 - (a) A base penalty amount of:
 - (i) \$1,000 for a first contravention;
 - (ii) \$2,000 for a subsequent contravention; and
 - (b) \$250 each day or part of a day on which the contravention of the specified rule continues to an amount not exceeding the maximum under section 56 of the Act.

Superintendent's Comments:

This proposed amendment sets out the penalty amount or method of penalty calculation for each of the four separate categories of administrative penalty. The contraventions within each category are in section 2-23 (above).

This proposed amendment increases the penalty amounts for existing designated contraventions and establishes penalty amounts for the expanded contraventions.

In considering what penalty amounts would be appropriate for each category, we considered that the aim of administrative penalties is to encourage compliance and that the amount be a deterrent. Generally, the penalty amounts increase where a contravention could lead to an increase in the potential risk of consumer harm or could undermine public confidence in the real estate industry. For example, the contravention of any Rule in Category C (which contains all of section 3-3 of the Rules [*duties to clients*]) will generally lead to the highest administrative penalty amounts. The draft RECBC Administrative Penalty Guidelines (Guidelines) provide clear guidance on when a contravention would be eligible for an administrative penalty.

For a licensee who has contravened a specified rule, the draft Guidelines make the interpretation that after five years of full compliance, the record of the licensee “resets” for the purposes of establishing whether a new contravention of a specified rule is a first or subsequent contravention.

Under the draft Guidelines, an administrative penalty for a category D contravention would not be imposed until after the licensee has come into compliance, or after RECBC has declared any period for the licensee to come into compliance to be over, to enable RECBC to properly calculate the penalty amount based on the number of days the contravention continued. The Rules subject to daily penalties generally involve simple contraventions that can be remedied within a short period of time. The creation of a daily category can be a useful tool to gain compliance by providing licensees with incentive to rectify non-compliance quickly.

According to section 56(2) of the Act, the maximum amount of an administrative penalty that may be imposed for a contravention of a specified rule is \$50,000. As a result, for a contravention of a Category D rule, adding the base penalty amount to the amount of \$250 for each day the contravention continued cannot exceed \$50,000.

4 Section 3-4 is proposed to be repealed and the following substituted:

Duty to act honestly

3-4 When providing real estate services, a licensee must act honestly.

Duty to Act with reasonable care and skill

3-5 When providing real estate services, a licensee must act with reasonable care and skill.

Superintendent's Comments:

This proposed amendment does not create any new requirements on licensees. The amendment separates two existing conduct requirements contained in section 3-4 of the Rules (the duty to act honestly and the duty to act with reasonable care and skill) into separate rules to simplify the application of the proposed new administrative penalty regime.

Section 3-5 is proposed to be designated as an administrative penalty eligible contravention and subject to the penalty amounts in Category C. As noted above, unethical conduct, such as dishonesty under section 3-4, is not be eligible for an administrative penalty. Unethical conduct is considered too serious for disposition by way of an administrative penalty.

INFORMATION NOTE

Issue:

- The Office of the Superintendent of Real Estate has taken measures to help mitigate the adverse impacts of the COVID-19 pandemic on the real estate sector.

Background:

- On March 17, 2020, B.C.'s Provincial Health Officer, Dr. Bonnie Henry, declared a public health emergency in response to the COVID-19 pandemic, which was followed by a declaration of a provincial state of emergency by the Minister of Public Safety and Solicitor General on March 18, 2020.
- On March 26, 2020, government announced that real estate services were considered an essential service and should remain open during the public health emergency.
- To ensure public confidence in B.C.'s real estate market during the COVID-19 pandemic, the Office of the Superintendent of Real Estate (OSRE) has taken a number of steps to help mitigate the adverse impacts of the necessary COVID-19 restrictions on the real estate sector.

Measures to Assist Real Estate Licensees

- OSRE and the Real Estate Council of British Columbia (RECBC) have collaborated on new COVID-19 guidance and information to help real estate professionals (including strata managers, rental property managers and real estate agents) protect consumers and make informed, safe decisions, and to ensure that the public and real estate professionals understand how the pandemic is impacting real estate transactions and services. Guidance has been provided on open houses, the provision of strata management services and the provision of rental management services among other topics.
- To reduce the operating pressures on real estate brokerages during the early phases of the pandemic, OSRE worked with RECBC to extend the filing periods for brokerage annual reports (financial statements, activity reports, and accountant's reports) by 30 days for reports due April 1 through July 31, 2020.
- To support government's transition into Phases 2 and 3 of B.C.'s Restart Plan, OSRE, in collaboration with WorkSafe BC, the British Columbia Real Estate Association, and RECBC, assisted in the development of real estate safety protocols for returning to operation that align with Public Health and Safety Guidelines.

Measures to Assist Real Estate Developers

- The response measures undertaken to reduce COVID-19 transmission have affected real estate developers' abilities to market development property, obtain financing commitments from lenders, and generally impacted the issuance of building permits.
- To assist developers, the Superintendent issued a new Policy Statement (Policy Statement 17), which temporarily extends (by three months) the length of a time a developer can market a

development before they are required to have a building permit and financing in place. This temporary extension is set to expire on April 30, 2021.

- The extension will assist developers that are struggling to attract sales amidst the forecasted economic decline resulting from COVID-19, and will also enable the collection of more meaningful, longer-term data with regards to the impact of Policy Statement 17 on the development community and consumers. No consumer rights under the *Real Estate Development Marketing Act* are impacted by this change.

Additional Measures

- In order to protect the health of clients and staff, OSRE encouraged staff to work remotely and temporarily ceased providing in-person services while maintaining operational requirements and service standards. To ensure business continuity during this closure, OSRE has worked to modernize its filing system by allowing, for the first time, electronic filings of strata property schedules and real estate disclosure statements, as well as electronic payments for filing fees.
- OSRE participates on a cross-sectoral strata properties working group led by the Ministry of Municipal Affairs and Housing whose purpose is to identify issues related to COVID-19 that are impacting the strata industry and strata managers in order to provide guidance or solutions should emergency measures be necessary. The working group continues to meet regularly.
- OSRE continues to assess and monitor the impacts of COVID-19 on the real estate industry, as well as the various responses and restrictions put in place to slow the spread of the virus. The Superintendent may consider additional changes to guidance, mandatory time periods, and workplace policies should the circumstances warrant.

INFORMATION NOTE

Issue:

- The Superintendent of Real Estate has responsibility to oversee and direct the operations and activities of the Real Estate Council of British Columbia (RECBC).

Background:

- In addition to ending industry self-regulation and substantially increasing available penalties for licensee misconduct, amendments to the *Real Estate Services Act* (RESA) in 2016 expanded the Superintendent of Real Estate's authority to exercise oversight of the activities and operations of RECBC.
- As of September 30, 2016, the Superintendent can require that RECBC: investigate a particular matter; provide reports to the Superintendent on its activities and operations; and, engage in other systemic oversight activities described in section 89.1 of RESA. This is in addition to the long-standing ability of the Superintendent to appeal RECBC's disciplinary decisions to the Financial Services Tribunal (FST) under section 54 of RESA.

Casefile Oversight

- The Office of the Superintendent of Real Estate (OSRE) reviews all RECBC discipline orders, including voluntary consent orders, within 30 days of the decision to determine whether to appeal to the FST on public interest grounds. OSRE also reviews RECBC discipline decisions to track trends and potential issues related to RECBC's decision making for systemic feedback. OSRE shares its discipline decision reviews with RECBC to provide ongoing feedback and to promote continuous improvement.
- OSRE reviewed 64 RECBC discipline decisions in 2017/18, 70 decisions in 2018/19, 64 decisions in 2019/20, and 17 decisions in the first half of 2020/21. OSRE has appealed three decisions during this time and provided RECBC with considerable systemic feedback on its complaints and discipline process (see below).
- OSRE also receives correspondence from licensees and members of the public who are not satisfied with the outcome of RECBC's investigation of a particular matter. While OSRE is not an appeal body, staff will review such complaints to ensure that cases have been handled fully, fairly, and in an even-handed manner by RECBC.
- In June 2017, after receiving a complaint from a member of the public, the Superintendent directed RECBC to issue a notice of discipline hearing against a licensee after RECBC had previously dismissed the matter without formal discipline. RECBC challenged OSRE's authority to make the direction. On August 31, 2018, the Supreme Court of BC rendered a decision in a judicial review of the matter which upheld OSRE's statutory authority to direct RECBC to issue such notices.

Systemic Oversight

- OSRE and RECBC executive meet regularly to discuss matters of mutual interest.
- OSRE has provided feedback to RECBC on a number of matters including:
Advice/Recommendations

Advice/Recommendations

INFORMATION NOTE

Issue:

- The Office of the Superintendent of Real Estate (OSRE) has taken a number of actions to reform conduct and practices in the real estate services industry since being established as a standalone office in late 2016.

Background:

- As a regulatory agency of the B.C. government, OSRE 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* (RESA), the *Real Estate Development Marketing Act* (REDMA), and the *Strata Property Act* (SPA).
- In addition to ending industry self-regulation and dramatically increasing penalty amounts for licensee misconduct, the legislative amendments to RESA in 2016 transferred rule-making authority from the Real Estate Council of British Columbia (RECBC) to the Superintendent.
- Under section 89.2 of RESA, the Superintendent has broad powers to make rules that govern the professional conduct of individuals and businesses licensed under RESA.
- In the four years since RESA was amended, OSRE has taken a number of notable actions, in collaboration with RECBC and the Ministry of Finance's Policy and Legislation Division (PLD), to reform real estate industry practices and licensee standards of conduct, and to enhance consumer protections.
- OSRE's focus during this time has been to:
 - enhance licensee understanding of their fiduciary duties as agents;
 - enhance transparency and disclosures for consumers utilizing real estate services; and,
 - increase the overall professionalism of the sector.

Restricting the Practice of Dual Agency

- On June 15, 2018, following extensive engagement with industry, the Superintendent enacted amendments to the Real Estate Rules to restrict the practice of dual agency, in which the same licensee represents multiple parties with conflicting interests in the same real estate transaction (e.g. a buyer and a seller). At the same time, the Superintendent enacted Rules enhancing consumer disclosures pertaining to agency and remuneration.
- Additional information and background on these rule changes can be found in the *Dual Agency* information note.

Enhanced Practice Guidelines and Disclosure Forms

Advice/Recommendations

- The first focus was to update guidance for real estate licensees on how to manage conflicts of interests between clients and the appropriate use of dual agency. The

updated guidance, along with streamlined versions of mandatory disclosure forms, were released by RECBC in late spring 2020.

Advice/Recommendations

Reviewing the Role of Managing Brokers in BC's Changing Real Estate Landscape

- In collaboration with RECBC and PLD, OSRE has reviewed the roles and responsibilities of managing brokers. Managing brokers are responsible for ensuring that their real estate brokerage and individual licensees are carrying out their business competently and in accordance with the regulatory framework.

Advice/Recommendations

- The project has included multiple industry engagement opportunities, including a public survey and a series of in-person regional roundtables with managing brokers.
- Based on the results of the industry engagements and other research undertaken jointly with RECBC and PLD, OSRE developed and posted a discussion paper for public consultation in the fall of 2019. The discussion paper identified issues and challenges in three main areas including: (1) education and qualification requirements, (2) licensee and brokerage supervision, and (3) liability and regulatory compliance. The paper also introduced and solicited feedback on a series of measures that could help address these issues and challenges in the short to medium-term, as well as some possible considerations for the long-term.
- A consultation summary report has been published and recommendations are currently being prepared for the Superintendent's consideration.

Addressing Rising Strata Insurance Costs

- In response to rising strata insurance costs, legislative amendments were introduced in the summer of 2020 to the *Financial Institutions Act* and *Strata Property Act* that prohibit insurers or insurance brokers from providing referral fees to strata property managers in relation to the placement of the insurance of a strata corporation.
- OSRE is working in collaboration with RECBC on measures to support broader efforts to enhance transparency for strata corporations related to the placement of insurance.

Cabinet Confidences; Advice/Recommendations

Cabinet Confidences; Advice/Recommendations

Regulation of Real Estate Teams

- B.C.'s real estate regulatory framework provides limited explicit regulation of real estate teams. Advice/Recommendations

Advice/Recommendations

Cabinet Confidences; Advice/Recommendations

- The Superintendent is considering further industry engagement on potential reforms prior to consulting on new rules.

MINISTRY OF FINANCE
KEY STAKEHOLDERS

Branch	Organization	Contact	Description	Key Issues
OSRE	British Columbia Real Estate Association (BCREA)	Darlene Hyde Chief Executive Officer 604.683.7702 dhyde@bcrea.bc.ca	BCREA is the professional association for over 23,000 commercial and residential REALTORS® in BC. Working with the province's 11 real estate boards, we provide professional development opportunities, advocacy, economic research and standard forms so REALTORS® are trusted, respected and proud of their profession.	<ul style="list-style-type: none"> Policy and legislation changes related to real estate trading services
	BC Northern Real Estate Board (BCNREB)	Alexandra Goseltine Executive Officer 250.563.1236 agoseltine@bcnreb.bc.ca	One of 11 local real estate boards, representing approximately 390 BCREA members in the communities from Fort Nelson in the north to 100 Mile House in the south and from the Alberta border to Haida Gwaii	<ul style="list-style-type: none"> Policy and legislation changes related to real estate trading services

Branch	Organization	Contact	Description	Key Issues
OSRE	Chilliwack and District Real Estate Board (CADREB)	Steve Lerigny Executive Officer 604.792.0912 cadrebeo@gmail.com	One of 11 local real estate boards, representing approximately 280 BCREA members with a regional area of Yarrow to Lytton, including Chilliwack, Sardis, Rosedale, Agassiz, Harrison Hot Springs, & Hope	<ul style="list-style-type: none"> • Policy and legislation changes related to real estate trading services
OSRE	Fraser Valley Real Estate Board (FVREB)	Baldev S. Gill Chief Executive Officer Personal Information	One of 11 local real estate boards, representing approximately 3,600 BCREA members in the communities of North Delta, Surrey, White Rock, Langley, Abbotsford, and Mission	<ul style="list-style-type: none"> • Policy and legislation changes related to real estate trading services
OSRE	Kamloops and District Real Estate Association (KADREA)	Trevor Koot Executive Officer 250.372.9411 trevor@kadrea.com	One of 11 local real estate boards, representing approximately 300 BCREA members in the communities of Ashcroft, Barriers, Chase, Clearwater, Kamloops, Lillooet, Logan Lake, Merritt and Sun Peaks	<ul style="list-style-type: none"> • Policy and legislation changes related to real estate trading services
OSRE	Kootenay Association of Realtors® (KAR)	Trevor Koot Executive Officer 250.352.5477 trevor@kreb.ca	One of 11 local real estate boards, representing approximately 350 BCREA members in the East Kootenay, West Kootenay and Boundary areas of BC	<ul style="list-style-type: none"> • Policy and legislation changes related to real estate trading services

Branch	Organization	Contact	Description	Key Issues
OSRE	Okanagan Mainline Real Estate Board	George Greenwood Executive Officer 250.491.4560 Personal Information	One of 11 local real estate boards, representing BCREA members in the Okanagan, Shuswap and Revelstoke areas	<ul style="list-style-type: none"> Policy and legislation changes related to real estate trading services
OSRE	Powell River Sunshine Coast Real Estate Board	Steve Lerigny Executive Officer 604.485.6944 prscreb@gmail.com	One of 11 local real estate boards, representing approximately 30 BCREA members in Powell River and the Sunshine Coast	<ul style="list-style-type: none"> Policy and legislation changes related to real estate trading services
OSRE	Real Estate Board of Greater Vancouver	Brad Scott Executive Officer 604.730.3103 Personal Information	One of 11 local real estate boards, representing approximately 14,000 BCREA members in communities from Whistler to Maple Ridge to Tsawwassen and everywhere in between	<ul style="list-style-type: none"> Policy and legislation changes related to real estate trading services
OSRE	South Okanagan Real Estate Board	Dawn Lysholt Executive Officer 250.492.0626 soreb@shaw.ca	One of 11 local real estate boards, representing approximately 300 BCREA members in communities in the south central interior of BC as well as Chetwynd, Dawson Creek and Tumbler Ridge	<ul style="list-style-type: none"> Policy and legislation changes related to real estate trading services

Branch	Organization	Contact	Description	Key Issues
OSRE	Vancouver Island Real Estate Board	Bill Benoit Executive Officer 250.390.4212 bbenoit@vireb.com	One of 11 local real estate boards, representing approximately 1,000 BCREA members in communities from the top of the Malahat to the northern tip of Vancouver Island	<ul style="list-style-type: none"> • Policy and legislation changes related to real estate trading services
OSRE	Victoria Real Estate Board	Dave Corey Executive Officer 250.385.7766 davec@vreb.org	One of 11 local real estate boards, representing approximately 1,300 BCREA members in communities in the communities of Greater Victoria and the Southern Gulf Islands	<ul style="list-style-type: none"> • Policy and legislation changes related to real estate trading services
OSRE	Strata Property Agents of British Columbia (SPABC)	Nizam Dossa Executive Director 604.618.9497 nizam@spabc.org	The Strata Property Agents of British Columbia is an industry association with a mandate to represent the interests and issues of the many strata management companies working throughout the province of B.C. We support the business of strata management.	<ul style="list-style-type: none"> • Policy and legislation changes related to rental property management and strata management services

Branch	Organization	Contact	Description	Key Issues
OSRE	Professional Association of Managing Agents (PAMA)	Roger Williams Executive Director 604.618.9497 ed@pama.ca	<p>PAMA is a non-profit organization founded in 1970 to promote professional and ethical residential property management. Members recognize responsibilities to their investors, clients and to the community in general, when performing their duties in the management of residential rental properties, strata titled properties and any other properties under their jurisdiction.</p> <p>PAMA's mandate is to uphold and maintain high professional, ethical and educational standards within residential property management; to provide a forum for members to interact and promote the advancement of the industry; to give an authoritative voice to the industry in its dealings with legislative and governmental bodies.</p>	<ul style="list-style-type: none"> • Policy and legislation changes related to rental property management and strata management services

Branch	Organization	Contact	Description	Key Issues
OSRE	LandlordBC	David Hutniak Chief Executive Officer 604.733.9440 davidh@landlordbc.ca	With members-only education, resources and support, LandlordBC makes owning and managing rental properties in BC easier for landlords and property managers. Landlord BC strives to balance the landlord's rights to operate in a free market with the tenants' rights to access safe, stable housing, as one unified, respected voice for the rental housing industry.	<ul style="list-style-type: none"> • Policy and legislation changes related to rental property management services
OSRE	Urban Development Institute (UDI) Pacific Region	Anne McMullin President & CEO 604-661-3030 AMcMullin@udi.org	The Urban Development Institute is a non-profit association of the development industry and its related professions that is non-partisan in its activities. With over 850 corporate members, UDI Pacific represents thousands of individuals involved in all facets of land development and planning, including: developers, property managers, financial lenders, lawyers, engineers, planners, architects, appraisers, real estate professionals, local governments and government agencies.	<ul style="list-style-type: none"> • Policy and legislation changes related to real estate development marketing

POLICY & LEGISLATION DIVISION

ADM Responsible: Tara Richards

Core Business/ Program Area Description/Critical Business Processes:

The **Policy and Legislation Division** provides policy analysis and advice to the Minister of Finance, Cabinet, and Deputy. The Division is responsible for tax policy and intergovernmental fiscal relations, financial and corporate sector policy and directs the implementation of related government decisions through the development and preparation of legislation. The Division consists of three branches:

1. **Tax Policy & Intergovernmental Fiscal Relations (TPIFR) Branch** - Within TPIFR, Tax Policy (TP) provides tax policy analysis, advice and recommendations to the Minister. The unit is responsible for B.C. provincial tax policy, including taxes on income, consumption, and wealth. Responsible for maintaining the provincial tax base the unit plays a key role in the budget process. The Unit reviews issues, provides advice and recommendations, assists with preparing budget documents, and implements budget decisions through legislation and regulation. The unit also supports the coordination of tax policy with other levels of government and other ministries and negotiates the tax aspects of treaties and taxation related agreements with First Nations.

Also, within TPIFR, Intergovernmental Fiscal Relations (IFR) provides analysis and advice in regards to federal-provincial fiscal relations & arrangements and priority areas of joint federal/provincial social policy. IFR also provides analysis and advice in regards to local government finance, including provincial funding to local governments for operating and capital projects.

2. **Financial and Corporate Sector Policy Branch (FCSP)** - Provides policy analysis and advice to government regarding the financial and corporate sectors generally, and in particular regarding:
 - The regulatory frameworks applicable to credit unions, trust companies, pension plans and insurance companies, the province's securities market, and the sale of insurance; and
 - Legal frameworks applicable to companies, societies, partnerships and the use of personal property as collateral for loans and various liens.

The branch works closely with government regulators including to develop legislation and regulations to implement government policy with respect to the regulation of the financial institutions, corporate, and securities sectors. The branch also coordinates non-budget legislation and acts as the ministry's regulatory reform contact.

3. **Finance Real Estate & Data Analysis (FREDA) Unit** - See Appendix A-3(1) – PLD – FREDA.

Budget: 2020/21:

\$7.378M

Full Time Equivalents (FTEs):

52.5 FTEs as of September 26, 2020

Related Legislation:

Financial & Corporate Sector Policy

<ul style="list-style-type: none"> • <i>Business Corporations Act</i> • <i>Cooperative Association Act</i> • <i>Credit Union Incorporation Act</i> • <i>Creditor Assistance Act</i> • <i>Financial Institutions Act</i> • <i>Income Trust Liability Act</i> • <i>Insurance Act</i> • <i>Insurance (Captive Company) Act</i> • <i>International Interests in Mobile Equipment (Aircraft Equipment) Act</i> • <i>Manufactured Home Act</i> • <i>Ministry of Consumer and Corporate Affairs Act, (ss. 3, 4(a))</i> 	<ul style="list-style-type: none"> • <i>Miscellaneous Registrations Act, 1992</i> • <i>Mutual Fire Insurance Companies Act</i> • <i>Partnership Act</i> • <i>Pension Benefits Standards Act</i> • <i>Pension Fund Societies Act</i> • <i>Personal Property Security Act</i> • <i>Pooled Registered Pension Plans Act</i> • <i>Repairers Lien Act</i> • <i>Securities Act</i> • <i>Securities Transfer Act</i> • <i>Societies Act</i> • <i>Warehouse Lien Act</i> • <i>Warehouse Receipt Act</i>
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Tax Policy has responsibility for tax policy in the following statutes administered by the Ministry of Finance

<ul style="list-style-type: none"> • <i>Carbon Tax Act</i> • <i>Employer Health Tax Act</i> • <i>Home Owner Grant Act</i> • <i>Income Tax Act</i> • <i>Indian Self Government Enabling Act</i> • <i>Insurance Premium Tax Act</i> • <i>International Business Activity Act</i> • <i>Land Tax Deferment Act</i> • <i>Liquefied Natural Gas Project Agreements Act</i> • <i>Logging Tax Act</i> 	<ul style="list-style-type: none"> • <i>Motor Fuel Tax Act</i> • <i>New Housing Transition Tax and Rebate Act</i> • <i>Ports Property Tax Act</i> • <i>Probate Fee Act</i> • <i>Property Transfer Tax Act</i> • <i>Provincial Sales Tax Act</i> • <i>Sechelt Indian Government District Home Owner Grant Act</i> • <i>Speculation and Vacancy Tax Act</i> • <i>Taxation (Rural Area) Act</i> • <i>Tobacco Tax Act</i>
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Tax Policy Branch has responsibility for tax policy in statutes administered by other ministries including:

<ul style="list-style-type: none"> • <i>Assessment Act</i> • <i>British Columbia Transit Act</i> • <i>College and Institute Act</i> • <i>Columbia Basin Trust Act</i> • <i>Community Charter</i> • <i>Health Authorities Act</i> • <i>Hospital District Act</i> • <i>Hydro and Power Authority Act</i> • <i>Liquor Distribution Act</i> 	<ul style="list-style-type: none"> • <i>Local Government Act</i> • <i>Medicare Protection Act</i> • <i>School Act</i> • <i>South Coast British Columbia Transportation Authority Act</i> • <i>Tourist Accommodation (Assessment Relief) Act</i> • <i>Treaty First Nation Taxation Act</i> • <i>Trinity Western University Foundation Act</i> • <i>University Act</i> • <i>Vancouver Charter</i>
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Organizational Chart:



POLICY & LEGISLATION DIVISION - FINANCE REAL ESTATE & DATA ANALYSIS UNIT

Executive Lead: Chris Dawkins

Core Business/ Program Area Description/Critical Business Processes:

The **Finance Real Estate and Data Analysis Unit (FREDA)** provides policy analysis and advice in support of legislative frameworks to support government’s anti-money laundering objectives and is developing an integrated data analysis capacity in support of the Ministry.

Cabinet Confidences; Advice/Recommendations

The Data Analysis Branch within FREDA is a new Branch that is being developed to leverage the Ministry of Finance’s data holdings to support data-driven policy analysis and advice to advance government and ministry policy goals and priorities.

Advice/Recommendations

Advice/Recommendations

Advice/Recommendations

The Branch also coordinates anti-money laundering initiatives, including federal-provincial efforts, inter-Ministry coordination and the support of working groups related to anti-money laundering.

Budget:

Included in the divisional budget for Policy and Legislation

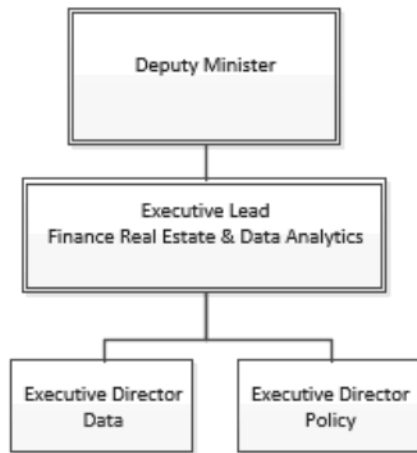
Full Time Equivalents (FTEs):

10.5 FTEs as of September 26, 2020

Related Legislation:

<ul style="list-style-type: none"> • <i>Real Estate Services Act</i> • <i>Mortgage Brokers Act</i> 	<ul style="list-style-type: none"> • <i>Land Owner Transparency Act</i> • <i>Business Corporation Act (shared with FCSP)</i>
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Organizational Chart:



30/60/90 DAY DECISIONS

Policy & Legislation

Corporate Issues

30/60/90	Issue	Division Resp
30	Ports Competitiveness Initiative	PLD
30	COVID-19 OIC extension to allow for corporate electronic meetings under MO-116 and MO-138	PLD
90	Cabinet Confidences; Advice/Recommendations	PLD

Ministry Issues

30/60/90	Issue	Division Resp
30	<i>Speculation & Vacancy Tax Act</i> Mayor's consultation	PLD
30	Federal consultations on income security measures	PLD
30	Cabinet Confidences; Intergovernmental Communications	PLD
30	Advice/Recommendations	PLD
30	Advice/Recommendations	PLD
30	Intergovernmental Communications	PLD
30	Federal-provincial collaboration around COVID-19	PLD
30	Process to finalize Budget 2020 tax measures	PLD
30	Insurance Council Urgent Rule Amendment	PLD
30	<i>Land Owner Transparency Act</i> - Communication of Reporting Requirement to Existing Owners	PLD
30	Ongoing Negotiations over Major Federal-Provincial Transfers	PLD
30	Advice/Recommendations	PLD
30	Advice/Recommendations	PLD
30	Advice/Recommendations	PLD
30	Advice/Recommendations	PLD
30	Federal/Provincial Reciprocal Tax Agreement Extension	PLD
30	Strata Property Insurance & Release of BCFSR Review of Strata Insurance Market	PLD
30	Cabinet Confidences	PLD
30	Cabinet Confidences; Advice/Recommendations	PLD

30-60	BC Securities Commission Rules	PLD
60	Cabinet Confidences	PLD
60	Cabinet Confidences; Advice/Recommendations	PLD
60	<i>StrongerBC</i> Increased Employment Incentive	PLD
60	<i>StrongerBC</i> PST Rebate on Select Machinery & Equipment	PLD
60	Municipal & Regional District Tax applications	PLD
60	OneFSR Organization Structure & Compensation	PLD
60	Cabinet Confidences; Advice/Recommendations	PLD
60	Advice/Recommendations	PLD
90	Advice/Recommendations	PLD
90	Cabinet Confidences; Advice/Recommendations	PLD
90	Cabinet Confidences; Advice/Recommendations	PLD
90	Advice/Recommendations; Government Financial Information	PLD
90	PST Regulation Change Consequential to Canada-United States-Mexico Agreement	PLD
90	Intergovernmental Communications	PLD

INFORMATION NOTES
Policy & Legislation

Ministry Notes

Topic	Division Resp
COVID-19 Measures	PLD
Anti-Money Laundering Timelines & Overview Note	PLD
One Financial Services Regulator Overview Note	PLD

INFORMATION NOTE

Issue:

- Provincial and Federal Measures related to COVID-19 Relief

Background:

- B.C. has responded to the COVID-19 pandemic with two economic plans:
 - B.C.'s COVID-19 Action Plan which was announced in March as an immediate reaction to provide short term relief for the economic and other effects of the pandemic.
 - In September government announced an economic recovery plan titled "Stronger BC for Everyone: BC's Economic Recovery Plan". This includes measures implemented as part of the Canada-British Columbia Safe Restart Agreement.
- The federal government has announced hundreds of billions of dollars in COVID-19 related measures in a series of announcements this year. More measures are expected to be announced in the fall economic and fiscal update.

COVID-19 Action Plan

- B.C.'s COVID-19 Action Plan built on the federal government's economic plan and to bring support to British Columbians who had been affected by COVID-19.
- For individuals, some key measures included:
 - The one-time, tax-free \$1,000 B.C. Emergency Benefit for Workers that is available to British Columbians who have been approved to receive the Canada Emergency Response Benefit or meet other eligibility requirements;
 - The enhancement to the July payment of the B.C. Climate Action Tax Credit. The one-time enhancement will provide an additional a one-time enhancement in July of up to \$174.50 for adults and up to \$51.25 per child for middle-to-low-income families;
 - Pausing all B.C. student loan payments;
 - Putting a moratorium on all residential evictions due to non-payment of rent; as well as
 - Temporary rental supplements up to \$500 for eligible households with dependents and up to \$300 for eligible households without dependents.
- Immediate help for businesses included:
 - Delaying tax filing and payment deadlines for personal income tax, EHT, PST, MRDT, motor fuel tax, carbon tax, commercial property taxes, and tobacco tax (now expired);
 - Postponing the April 1st carbon tax rate increase;
 - Cutting the school property tax rate for property Classes 4, 5, 6, 7 and 8 so that property tax bill for most businesses will be reduced by 25 per cent on average;
 - Partnering with the federal government on the Canada Emergency Commercial Rent program (now expired);
 - Creating a temporary commercial eviction ban to support the CECRA program (now expired);
 - Working with the business and labour sectors to prepare for recovery; and
 - Establishing a \$1.5 billion fund for economic recovery.

Stronger BC for Everyone: BC's Economic Recovery Plan

- Hiring 7,000 new front-line health-care workers including health-care aides in long-term care homes and 600 contact.
- Increased support for mental health care in the workplace.
- A new Hospital at Home initiative that will allow patients to receive medical services in their own home from a team of health professionals.
- Funding for targeted and short-term skills training for high-demand fields, including front-line health, childcare and human-service positions.
- Accelerated creation of affordable child-care spaces.
- Investments of over \$100 million to support tourism-related businesses and communities.
- A 15 per cent refundable tax credit based on eligible new payroll - the increased employment incentive. (See further details in attached Appendix)
- A small- and medium-sized business recovery grant.
- A temporary 100 per cent PST rebate on select machinery and equipment (See further details in attached Appendix)
- \$400 million to revitalize community infrastructure and support local governments.
 - This includes \$100 million in infrastructure grants for shovel-ready.
 - The plan also earmarks over \$1 billion in provincial and federal investments in public transit and ferries.
 - An additional \$540 million in combined federal/provincial funding will help B.C. communities address other local challenges impacted by COVID-19.
- The plan includes \$1.5 billion in economic recovery spending measures.
- It is in addition to \$660 million in tax measures and more than \$1.86 billion in federal and provincial restart funding for municipalities, transit and education.
- It also builds on B.C.'s record \$22-billion investment in public infrastructure over the next three years. Those capital projects are estimated to create 100,000 direct and indirect jobs over the life of the projects.

Federal COVID-19 Measures

- Key current federal business supports include:
 - Covering a portion of an employee's wages for eligible employers through the Canada Emergency Wage Subsidy.
 - Extending the maximum duration of the Work-Sharing program from 38 weeks to 76 weeks for employers affected by COVID-19.
 - Extending the time periods for temporary layoffs by up to six months in the Canada Labour Standards Regulations to allow employers more time to recall laid-off employees.
 - Waiving tariffs on certain medical goods, including PPE such as masks and gloves.
 - Providing interest-free loans of up to \$40,000 to small businesses and not-for-profits.
 - Guaranteeing 80 per cent of new operating credit and cash flow term loans of up to \$6.25M to small and medium-sized enterprises (SMEs), to be used for operating purposes.
 - Co-lending with financial institutions term loans of up to \$6.25M to SMEs for their operational cash flow requirements.
 - Providing \$1.5B through the Regional Relief and Recovery Fund (RRRF) to help more businesses and organizations in sectors such as manufacturing, technology, tourism and others that are key to the regions and to local economies. This fund is accessible via federal regional development agencies.
 - Providing commercial loans ranging between \$12.5M and \$60M to SMEs whose credit needs exceed what is already available through existing federal COVID-19 support programs.

- Proposing a Canada Emergency Rent Subsidy, which would provide rent and mortgage support of up to 65 per cent (with a 25 per cent top up for businesses impacted by public health orders) until June 2021 for qualifying organizations affected by COVID-19. Guaranteeing 75 per cent of new operating credit and cash-flow loans – ranging in size from \$16.75M to a maximum of \$80M.
- Providing bridge financing to Canada’s largest employers whose needs are not being met through conventional financing.
- Providing \$306.8M in funding to help small and medium-sized Indigenous businesses, through short-term, interest-free loans and non-repayable contributions through Aboriginal Financial Institutions that offer financing to these businesses.
- Instituting a moratorium, through the remainder of 2020, on solvency payment requirements for defined benefit plans.
- Launching an Insured Mortgage Purchase Program to purchase up to \$150B of insured mortgage pools through the Canada Mortgage and Housing Corporation.
- The federal government is providing support for specific sectors including agriculture and agri-food, aquaculture and fisheries; culture, heritage and sport (e.g. \$500M Emergency Support Fund); waiving ground lease for federal airports; cleaning up orphan and inactive oil and gas wells (\$120M of which will go to B.C.) and launching the Emissions Reduction Fund (up to \$750M to support workers and reduce emissions in Canada's oil and gas sector, with a focus on methane); and accelerating \$2.2B in annual federal infrastructure funding for communities through the Gas Tax Fund.
- The federal government is offering assistance to organizations dedicated to helping vulnerable Canadians during COVID-19. Key supports include:
 - \$1B to cover the construction of modular housing, as well as the acquisition of land, and the conversion of existing buildings to affordable housing.
 - \$350M to support vulnerable Canadians through charities and non-profit organizations that deliver essential services to those in need.
 - \$200M to national, regional, and local organizations across Canada to purchase, transport and distribute food and other basic necessities hire temporary help to fill volunteer shortage, while implementing safety measures such as PPE.
 - \$157.5M to the Reaching Home initiative, which can be used for a range of needs such as purchasing beds and physical barriers for social distancing.
 - \$100M to the Canadian Red Cross to enhance their response capacity and to support public health efforts.
 - \$15M in 2020-21 to community organizations to provide resources to improve workplace accessibility and access to jobs in response to COVID-19, including by helping employers set up accessible and effective work-from-home arrangements.
- The federal government also provides a number of COVID-19 related income supports to individuals and families. See decision note “*Federal consultations on income security measures*” for an overview of the key federal income support programs.
- The Bank of Canada has introduced a number of measures to address liquidity for financial markets and for provincial governments, including the Provincial Money Market Purchase Program and the Provincial Bond Purchase Program.
- The federal government’s response to COVID-19 has included a number of areas of federal-provincial collaboration, such as the \$19 billion Safe Restart Agreement; these programs are described in a separate 30-day issue note on federal/provincial collaboration.

Appendix – Economic Recovery Plan Tax Measure Technical Backgrounders (IEI and PST)

Increased Employment Incentive

- The BC Increased Employment Incentive will provide a credit to employers who increase their employment of low- to middle-income workers in British Columbia.
- The credit compares an employer's third quarter payroll (July, August, September) to their fourth quarter payroll (October, November, December).
- Employers who hire more workers or increase salaries in the October 2020 to December 2020 quarter may be eligible for a credit of up to 15 per cent of the increase.
- The credit is available to all employers in B.C. except for public institutions (government entities, schools, hospitals, universities etc.).
- The credit will be implemented through legislative amendments to the *Employer Health Tax Act*.

Credit calculation

- The credit is calculated as 15 per cent of the amount that the qualifying BC remuneration exceeds the base BC remuneration.

Base BC remuneration

- The base BC remuneration is the total BC remuneration paid to eligible employees for the quarter ending September 30, 2020 with a maximum weekly BC remuneration for each eligible employee of \$1,129.33. Partial weeks are prorated.

Qualifying BC remuneration

- The qualifying BC remuneration is the total BC remuneration paid to eligible employees for the quarter ending December 31, 2020 with a maximum weekly BC remuneration for each eligible employee of \$1,129.33. Partial weeks are prorated.

Eligible employee

- An eligible employee must be considered to report for work at a permanent establishment of the employer in BC or be paid from a permanent establishment in BC and principally perform his or her duties in BC. An employee is considered to report for work at a permanent establishment of an employer if the employee comes to the permanent establishment in person to work, or if he or she may reasonably be regarded as attached to the permanent establishment. This would generally include employees who are temporarily working from home due to COVID-19. In general, an employer has a permanent establishment in BC if the employer has a fixed place of business in the province.

Associated employers

- If two or more employers are associated, only one employer may claim the credit per employee. Employers must calculate the base BC remuneration and qualifying BC remuneration paid to that employee as the total of all BC remuneration paid to that employee by all associated employers.

Charities and non-profit employers

- Charities and non-profit employers do not need to report the BC remuneration by location when

applying for this credit (the EHT generally requires Charities and non-profit employers to report payroll by location).

Application period

- The application period for the credit will commence in March 2021. Employers will be required to register for the BC Increased Employment Incentive through the eTax system. Employers that do not pay Employer Health Tax will receive their refund through the eTax system.
- For those employers required to pay the Employer Health Tax the credit will be first applied to any EHT outstanding and will be available as a refund to the extent that the credit exceeds the amount of EHT owed.
- Businesses that are registered and liable for employer health tax are encouraged to file their 2020 employer health tax return before or at the same time as applying for the BC Increased Employment Incentive to ensure there are no delays in receiving their BC Increased Employment Incentive.

PST Rebate for Select Machinery and Equipment

- Ordinarily businesses that purchase machinery and equipment pay PST on those purchases (unless exempted under another program). This represents a significant disincentive to purchase capital equipment required to start or grow a business in B.C.
- Effective September 17, 2020, incorporated businesses are eligible for the BC PST Rebate on Select Machinery and Equipment. This program allows incorporated businesses to apply for a rebate of 100 per cent of PST paid between September 17, 2020 and September 30, 2021 on select machinery and equipment.
- The refund will be implemented through retroactive regulations under the Provincial Sales Tax Act.

Machinery and Equipment exempted

- For simplicity, Income Tax Act (Canada) capital cost allowance (CCA) class definitions already familiar to incorporated businesses will be used to establish which types of capital assets qualify for the rebate program.
- CCA classes covered by the BC PST Rebate on Select Machinery and Equipment include, but are not limited to:
 - machinery and equipment, tools, appliances and furniture;
 - computer hardware and software;
 - electric vehicle charging stations; and
 - zero-emission vehicles.
- For the purposes of the BC PST Rebate on Select Machinery and Equipment, a zero-emission vehicle means a motor vehicle that is:
 - fully electric;
 - fully powered by hydrogen; or
 - a plug-in hybrid that has a battery capacity of at least 7 kWh

Machinery and Equipment not included in the rebate

- The following goods are not eligible for the BC PST Rebate on Select Machinery and Equipment program:
 - vehicles, other than zero-emission vehicles
 - goods purchased to be installed as an improvement to real property
 - goods purchased for resale by a small seller

- exclusive products purchased by independent sales contractors (multilevel marketing schemes such as Avon or essential oils)

Who Qualifies for the Rebate

- Incorporated businesses will be eligible to claim the BC PST Rebate on Select Machinery and Equipment.
- Entities the rebate will not be available to include:
 - Non-incorporated businesses (sole proprietors)
 - provincial and federal Crown corporations
 - local government corporations
 - charities and non-profit corporations, except incorporated businesses wholly or partly owned by charities and non-profit corporations
 - schools, school boards and universities, including business, trade and vocational schools
 - hospitals
 - regional health boards and community health councils, and
 - agents of the government and of the other entities listed above, to the extent that the PST is paid in their capacity as an agent

INFORMATION NOTE

Issue:

- Recommendations made in expert reports to address money laundering in BC are being analyzed and specific initiatives are underway or completed.

Background:

AML Reports

- A report prepared by Peter German and released on March 31, 2018, identified money laundering in BC casinos. The report also indicated that there should be a closer look at money laundering in real estate and in money service businesses.
- Subsequently, in September 2018, the Attorney General engaged Dr. German to investigate if other sectors of B.C.'s economy are vulnerable to money laundering. The review focused on real estate, luxury car sales and horse racing industries.
- At the same time, the Minister of Finance engaged Maureen Maloney, Tsur Somerville and Brigitte Unger (the Expert Panel) to review money laundering in the real estate sector and to present recommendations for changes to prevent and deter money laundering in the future.
- The Expert Panel and Peter German released their final reports on money laundering on May 9, 2019. In their review of the sector, the Expert Panel found that more than \$7 billion in dirty money was laundered in BC in 2018, and between \$800 million and \$5.3 billion was laundered through the real estate market, raising housing prices by an estimated 5%. Peter German also found evidence of money laundering in real estate and through the purchase and exportation of luxury cars.
- The Expert Panel made 29 recommendations in five general categories: 1) beneficial ownership transparency, 2) regulatory reforms, 3) improved use of data holdings and 4) better cooperation between and across levels of governments, and 5) improvements to the federal AML framework.

Government Response to the Reports

- **DMC-AML:** Following the release of the first German report, a Deputy Ministers committee focused on AML (DMC-AML) was established. The DMC-AML consists of Deputy Ministers from the Ministries of Finance, the Attorney General and Public Safety and Solicitor General. The committee is supported by a secretariat housed in the Ministry of the Attorney General.

Responses to the various money laundering reports are cross-government priorities with the Ministry of the Attorney General taking the lead on the responses to the German reports and the Ministry of Finance taking the lead on the responses to the Expert Panel report.

- **Cullen Commission:** After the release of the reports, on May 15, 2019, the government launched a public inquiry (the Cullen Commission) into money laundering. The inquiry has a deadline of May 2021 to deliver a final report. Hearings began in spring 2020 and will continue until April 2021.
- **Federal-BC ad hoc Working Group:** Before the release of the reports, a Federal-BC ad hoc working-group on housing was struck to address housing affordability issues. The group has since transitioned to a focus on AML responses. The group consists of officials from the federal

government and the BC government, along with representatives from BC and federal government agencies and regulators. It has become a forum to discuss the Expert Panel's recommendations, particularly those related to improved coordination between levels of government

- **Creation of FREDA:** Following the release of the reports, the Ministry of Finance established a new unit, the Finance Real Estate and Data Analysis unit (FREDA), to, in part, analyze, develop recommendations and potentially implement the Expert Panel's recommendations.

FREDA has also acted as the Ministry of Finance's key point of contact for requests from the Cullen Commission and has represented the Ministry of Finance in the ad hoc working-group.

Ministry of Finance Responses to the Expert Panel Report Recommendations

- **LOTA:** On April 2, 2019, the *Land Owner Transparency Act* was introduced to establish Canada's first public registry of beneficial owners of property in BC. The registry's establishment is a key recommendation of the Expert Panel. The Act comes into force on November 30, 2020 and will be fully searchable in Spring 2020.
- **Transparency of Corporate Ownership:** On October 25, 2019, amendments to the *Business Corporations Act* required private businesses in BC to keep and maintain transparency registers of beneficial owners, effective Oct. 1, 2020.

Advice/Recommendations

- **Single Regulator for Real Estate:** On November 12, 2019, government announced real estate would be regulated by a single regulator, the BC Financial Services Authority, which will fulfill one of the recommendations of the Expert Panel. This project is discussed in more detail in a separate note.

Cabinet Confidences; Advice/Recommendations

INFORMATION NOTE

Issue:

- The British Columbia Financial Services Authority (BCFSA) will become the regulator for real estate, replacing joint regulation of the sector by the Real Estate Council of British Columbia (RECBC) and the Superintendent of Real Estate within the Ministry of Finance.

Background:

1. Context

Cabinet Confidences; Advice/Recommendations

2. Current Status:

- Project timeline:

Cabinet Confidences
Cabinet Confidences

With the change in the legislative session, the project timeline and go-live date will be recalibrated to a new date to be determined.

- Project Governance:

- The OneFSR Steering Committee is chaired by the DM, MFIN with senior executive representation from MFIN, BCFSa, RECBC, OSRE, PSEC, AG, PSA. The Steering Committee provides project oversight and ensures success of the project by setting the overall scope, direction, and milestones of the project; and by making key decisions and helping to resolve escalated issues.

- The project's Workstream Committees have representation from the three organizations and subject matter experts from MFIN, PSEC, AG, PSA, OCIO, and GCPE. The individual Workstream Committees develop implementation plans to execute on the strategic direction and meet regularly to discuss progress against their plans and surface issues and risks. The scope and status of the workstream committees is provided below.

- Policy & Legislation Workstream Committee:

- The objective of the committee is to establish enabling legislation and consequential amendments to enact BCFSa as an integrated regulator for real estate in BC.

Cabinet Confidences; Advice/Recommendations

- The Ministry is also leading the development of the integrated regulator's mandate letter.
Cabinet Confidences; Advice/Recommendations

- Governance Workstream Committee

- The objectives of the committee are to align regulatory and corporate board governance framework to the enabling legislation; and to build a statutory structure that centralizes expertise within a single regulator.

- The committee's scope is to build the single regulator statutory and operational governance model with delegation and Board operations preparation including: Board responsibilities, Board membership Cabinet Confidences; Advice/Recommendations governance manual, operational procedures, bylaws, and committees.
- Cabinet Confidences

Cabinet Confidences; Advice/Recommendations

- Human Resources Workstream Committee
 - The objective of the committee is to build an integrated operational organization structure and total compensation plan; and to align corporate human resources operations from each organization to support the establishment of the integrated regulator.
 - The committee's current focus has been centered around supporting the Business Sponsors in creating BCFSAs' future state organizational structure and total compensation plan. A separate 60-day decision note provides more detail on this issue.
 - Foundational work is also underway to update HR policies, employment conditions, and programs for the BCFSAs as an integrated regulator.
 - Pending final approval of the future state organization structure and total compensation, the HR committee will prepare for employee notification and transition Advice/Recommendations; Legal Information
- Finance Workstream Committee
 - The objective of the committee is to establish budgets and funding requirements; and to align corporate finance operations from each organization to support the establishment of the integrated regulator.
 - The committee is currently managing and forecasting OneFSR costs across all three

organizations for the current fiscal year and making functional improvements to the accounting system to better support BCFSA operations and the expected future state.

- The committee was also in the process of establishing the integrated BCFSA's budget to be submitted in early 2021 to support the government's fiscal 2021/22 estimates process. However, with the delay of the go-live date, OSRE will remain as part of the Ministry's budget, and BCFSA and RECBC will report back to Treasury Board separately. Once integration is confirmed, this will be reflected in the quarterly financial reporting for the current fiscal forecast and future years projections. A separate 90-day decision note provides more detail on this issue.
- Facilities Workstream Committee
 - The objective of the committee is to align workstyles and office space to create a common culture and increase efficiency and effectiveness in working together as the integrated regulator.

Advice/Recommendations

- Technology Workstream Committee
 - The objective of the committee is to align corporate information management and information technology operations from each organization to support the establishment of the integrated regulator.
 - The committee's scope includes integrating technology strategies and investments, harmonizing information management and procedures, and aligning operations.
 - The committee is continuing to align technology strategies and prepare for integrated corporate systems and office space changes.
- Communications Workstream Committee
 - The objective of the committee is to align corporate communication operations from each organization to support the establishment of the integrated regulator; and to partner with the Change Management Committee to support leaders, employees, and other stakeholders through the transition.
 - The committee is communicating regularly across all three organizations on progress and continuing to develop a new website and intranet site for the integrated BCFSA.
- Change Management Workstream Committee
 - The objective of the committee is to support leaders, employees, and other stakeholders through the transition, in partnership with the Communications Committee; and ensure organizational readiness across the three organizations.
 - The committee's scope includes the development of a change management strategy to assess organization readiness, prepare change leaders, and support employee transition.
 - The committee is continuing to deliver engagement initiatives in preparation for integration including leadership and employee virtual information sessions; and learning spotlights to building awareness of the business across all three organizations.

Advice/Recommendations

Ministry of Finance – Policy & Legislation Division
KEY STAKEHOLDERS

Branch	Organization	Contact	Description	Key Issues
FCSP	BC Financial Services Authority	Blair Morrison CEO Personal Information Personal Information	Regulatory authority for credit unions, insurance companies, trusts, pensions, mortgage brokers.	<ul style="list-style-type: none"> OneFSR project, strata insurance, deposit insurance
FCSP	Canadian Credit Union Association	Henry Han Regional Director, Government Relations Personal Information Personal Information	National trade association for credit unions in Canada.	<ul style="list-style-type: none"> Deposit insurance, commercial lending, mandatory liquidity pool
FCSP	Central 1 Credit Union	Mark Blucher President & CEO 604 730-6436 Personal Information	Holds statutory liquidity for credit unions in BC and most credit unions in Ontario, primary payments and clearing provider for credit unions outside Quebec.	<ul style="list-style-type: none"> Deposit insurance coverage Mandatory liquidity pool

Branch	Organization	Contact	Description	Key Issues
FCSP	Vancouver City Savings Credit Union		BC's largest credit union.	<ul style="list-style-type: none"> Financial Institutions Act /Credit Union Incorporation Act review
FCSP	First West Credit Union	Launi Skinner CEO LSkinner@firstwestcu.ca	BC's second largest credit union. Is seeking to continue federally under the <i>Bank Act</i>	<ul style="list-style-type: none"> Commercial lending, deposit insurance, federal continuance
FCSP	Insurance Brokers Association of British Columbia	Chuck Byrne Executive Director/COO 604 606-8001 cbyrne@ibabc.org	Industry representative organization for property and casualty (P&C) insurance brokers in BC (selling auto, home and commercial insurance)	<ul style="list-style-type: none"> Earthquake, flood and other catastrophic loss insurance. Strata Insurance
FCSP	ADVOCIS	Greg Pollock President and CEO Personal Information Personal Information	Industry representative organization for financial advisors in Canada (including life insurance agents)	<ul style="list-style-type: none"> Proposal for the regulation of "financial advisors" Regulation of financial advisors

Branch	Organization	Contact	Description	Key Issues
FCSP	Insurance Bureau of Canada	Don Forgeron President & CEO 416 362-2031 dforgeron@ibc.ca	Industry representative organization for property and casualty (P&C) insurance companies in Canada (selling auto, home and commercial insurance)	<ul style="list-style-type: none"> • Earthquake insurance, flood insurance, ICBC
FCSP	Canadian Association of Direct Relationship Insurers	Catherine Allman Vice President , External and Government Relations 416 773-0101 callman@cadri.com	Industry representative organization for direct insurance companies (i.e., don't sell through agents) of property and casualty (P&C) insurance in Canada	<ul style="list-style-type: none"> • Financial Institutions Act /Credit Union Incorporation Act review, incidental sale of insurance, restricted licensing
FCSP	Canadian Life & Health Insurance Association	Stephen Frank President 416 777-2221 sfrank@clhia.ca	Industry representative organization for life and health insurance companies in Canada	<ul style="list-style-type: none"> • Federal legislation prohibiting the use of genetic information in underwriting of insurance contracts • Sale of credit insurance by mortgage brokers
FCSP	Canadian Association of Financial Institutions in Insurance	Brendan Wycks Executive Director 416 494-9224 Personal Information	Industry representative organization for bank owned insurance companies.	<ul style="list-style-type: none"> • Financial Institutions Act /Credit Union Incorporation Act review, incidental sale of insurance, restricted licensing

Branch	Organization	Contact	Description	Key Issues
FCSP	Insurance Council of British Columbia	Janet Sinclair, Executive Director 604 688-0321 Personal Information	Regulatory organization, established under BC legislation, to regulate insurance intermediaries.	<ul style="list-style-type: none"> • Financial Institutions Act /Credit Union Incorporation Act review • Reforms to education programs and development of formal Advice/Recommendations Advice/Recommendations • Insurance Council structure. • Insurance retailing and licensing exemptions.
FCSP	Canadian Bankers Association	Neil Parmenter President and CEO 416 362-6093 nparmenter@cba.ca	Industry representative organization for banks.	<ul style="list-style-type: none"> • Financial Institutions Act /Credit Union Incorporation Act review
FCSP	BC Registries and Online Services, Ministry of Citizens' Services (CITZ)	Carol Prest Registrar 250 356-8658 Carol.Prest@gov.bc.ca	Financial and Corporate Sector Policy (FCSP) and CITZ share responsibility for corporate legislation ;	<ul style="list-style-type: none"> • Issues that may result in amendments to the legislation.

Branch	Organization	Contact	Description	Key Issues
FCSP	Canadian Bar Association (BC Branch)	Kerry L. Simmons, QC Executive Director 604 687-3404 x320 ksimmons@cbabc.org	Private professional organization for BC lawyers.	<ul style="list-style-type: none"> FCSPB sometimes utilizes the expertise of BC Branch members in developing policy and legislation (e.g. <i>Business Corporations Act</i>, <i>Societies Act</i>, <i>Personal Property Security Act</i>).
FCSP	College, Municipal, Public Service and Teachers' Pension Plans	Adam Molineux Director of Policy BC Pension Corporation Personal Information Personal Information	The administrative agent for the four public sector plans.	<ul style="list-style-type: none"> Issues under the <i>Pension Benefits Standards Act</i> that may affect the public sector plans.

Branch	Organization	Contact	Description	Key Issues
FCSP	Canadian Conference on Personal Property Security Law	Matthew Yap Secretary Registrar, Personal Property Registry Department of Justice Government of the Northwest Territories 867-767-9260 ext. 82185 Matthew_Yap@gov.nt.ca	A group of provincial and territorial government representatives and leading academics in the area of personal property security law who meet annually to facilitate harmonization of personal property security law across Canada and provide a mechanism for standardization of personal property registry requirements and procedures.	<ul style="list-style-type: none"> • Review of registry search results. • Reform of conflict of laws rules in light of Ontario's recent amendments. • Fraudulent registrations. • Assessment of reforms proposed by Ontario's Business Law Advisory Council.
FCSP	British Columbia Securities Commission	Brenda Leong, Chair and CEO 604 899-6647 BLEONG@bcsc.bc.ca	Crown corporation responsible for the administration of the <i>Securities Act</i> .	<ul style="list-style-type: none"> • Cooperative Capital Markets Regulatory System. Cabinet Confidences • Approval by the Minister of new and amended securities rules.

Branch	Organization	Contact	Description	Key Issues
FCSP	Investment Industry Regulatory Organization of Canada	Andrew Kriegler, President and CEO 604 683-6222	National self-regulatory organization responsible for regulating investment dealing firms and representatives of those firms as well as regulating trading activity on debt and equity marketplaces in Canada.	<ul style="list-style-type: none"> Requested amendments to the <i>Securities Act</i> Cabinet Confidences; Advice/Recommendations Canadian Securities Administrators' review of self-regulatory organizations (SROs) in the securities industry
FCSP	Mutual Fund Dealers Association	Mark Gordon, President and CEO 604 694-8840	National self-regulatory organization responsible for regulating mutual fund dealers.	<ul style="list-style-type: none"> Canadian Securities Administrators' potential elimination of embedded fees. Canadian Securities Administrators' review of self-regulatory organizations (SROs) in the securities industry
FCSP	Capital Markets Authority Implementation Organization	Kevan Cowan, CEO and Chief Regulator Personal Information	Canada not-for-profit corporation established to assist in the development of the Cooperative Capital Markets Regulatory System.	<ul style="list-style-type: none"> Transition to Cooperative Capital Markets Regulatory System.

Branch	Organization	Contact	Description	Key Issues
FCSP / FREDA	British Columbia Law Institute (BCLI)	Karen Campbell Executive Director kcampbell@bcli.org	Incorporated as a society in 1997, BCLI engages in legal research and law reform projects.	<ul style="list-style-type: none"> FCSPB sometimes utilizes the expertise of BCLI staff in developing policy and legislation (e.g. <i>Societies Act</i>).
FREDA	Real Estate Council of British Columbia (Council)	Erin Seeley CEO Personal Information Personal Information	The Council is appointed by the Lieutenant Governor in Council under the <i>Real Estate Services Act</i> . The Council is responsible for education, licensing and discipline of persons providing real estate services (trading services, property management and strata management).	<ul style="list-style-type: none"> Recent amendments to the <i>Real Estate Services Act</i>. Issues affecting the regulation of persons providing real estate services under the <i>Real Estate Services Act</i>.
FREDA	Professional Association of Managing Agents (PAMA)	Roger A. Williams Executive Director 604 267-0476 ext. 101 ed@pama.ca	The PAMA is a private professional association for real estate licensees providing for property and strata management services.	<ul style="list-style-type: none"> Issues affecting the regulation of persons providing property and strata management services under the <i>Real Estate Services Act</i>.

Branch	Organization	Contact	Description	Key Issues
FREDA	Strata Property Agents of BC (SPABC)	Nizam Dossa Executive Director 604 253-5222 nizam@spabc.org	SPABC is a private professional association for real estate licensees providing strata management services.	<ul style="list-style-type: none"> • Issues affecting the regulation of strata managers under the <i>Real Estate Services Act</i>.
FREDA	Land Title and Survey Authority	Connie Fair President and CEO 250 410 0573 Connie.Fair@ltsa.ca	Responsible for operating the land title and survey systems of BC	<ul style="list-style-type: none"> • Implementation of the <i>Land Owner Transparency Act</i>
FREDA	Transparency International Canada	James Cohen Executive Director 416 488 3939 ti-can@transparencycanada.ca	International advocacy group that focuses on exposing corruption and increasing transparency	<ul style="list-style-type: none"> • Policies & legislation targeting beneficial ownership, tax fraud and money laundering
FREDA	Canadian Mortgage Brokers Association – BC (CMBA-BC)	Samantha Gale CEO 604 408-9989 Samanthagale@cmbabc.ca	Industry association of mortgage brokers	<ul style="list-style-type: none"> • Review of Mortgage Brokers Act

Branch	Organization	Contact	Description	Key Issues
FREDA	BC MIC Managers Association (BCMMA)	Steve Ponte President Personal Information steveponte@phlcapital.com	Industry association for mortgage investment corporations	<ul style="list-style-type: none"> Review of Mortgage Brokers Act
FREDA	Mortgage Professional Canada (MPC)	Paul Taylor President and CEO 416 644-5465 ptaylor@MortgageProsCan.ca	Non-profit, national mortgage industry association	<ul style="list-style-type: none"> Review of Mortgage Brokers Act
FREDA	The Canadian Money Service Business Association (CMSBA)	Joseph Iuso Executive Director Personal Information Personal Information	Industry association of MSB regulated under the <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> Canada	<ul style="list-style-type: none"> MSB Review in BC
FREDA	The Money Services Round Table (TMSRT)	Bradley Lui Counsel to TMSRT 202 887-8781 BLui@mofa.com	United States lobbying group	<ul style="list-style-type: none"> MSB Review in BC

Branch	Organization	Contact	Description	Key Issues
FREDA	Canadian Coalition for Good Governance	Catherine McCall Executive Director cmccall@ccgg.ca Sarah Neville Director of Policy Development sneville@ccgg.ca	Canadian advocacy group focused on exposing corruption and increasing transparency.	<ul style="list-style-type: none"> • Policies and legislation targeting beneficial ownership, tax fraud and money laundering.
FREDA	Canadians for Tax Fairness	Toby Sanger Executive Director office@taxfairness.ca	Advocates for fair and progressive tax policies.	<ul style="list-style-type: none"> • One of the key transparency stakeholders
FREDA	Publish What You Pay Canada	Emily Nickerson Director 613 237-6768 ext. 329 enickerson@pwyp.ca	Advocates for more corporate transparency, including beneficial ownership.	<ul style="list-style-type: none"> • Corporate transparency including beneficial ownership.
FREDA	OpenOwnership.org	Thom Townsend Executive Director Personal Information	Advocates for fully accessible company beneficial ownership registries that can be linked internationally	<ul style="list-style-type: none"> • Corporate beneficial ownership

Branch	Organization	Contact	Description	Key Issues
FREDA	Law Society of BC	David Jordan Media Relations djordan@lsbc.org	Self-regulatory body of lawyers in BC	Cabinet Confidences
FREDA	Chartered Professional Accountants of BC	Vivian Tse Media Contact vtse@bccpa.ca Kerri Wilcox Vice President, External Affairs & Communications 604 488.2625 Personal Information	Self-regulatory body of accountants in BC	
FREDA	Society of Notaries Public of BC	Jessie Vaid President 604 594-7505 jessie@vaidnotary.com	Self-regulatory body of notaries public in BC	

Branch	Organization	Contact	Description	Key Issues
FREDA / TP	Urban Development Institute	Anne McMullin President & CEO 604-661-3030 AMcMullin@udi.org	Industry association representing interests of developers and related professions in BC	<ul style="list-style-type: none"> • Property transfer tax • Speculation and Vacancy Tax • Additional School Tax • Facilitated consultation on CSAIR
FREDA / TP	BC Real Estate Association (BCREA)	Darlene Hyde CEO 604 742 2787 dhyde@bcrea.bc.ac	Industry association representing interest of realtors in BC.	<ul style="list-style-type: none"> • Recent amendments to the <i>Real Estate Services Act</i>. • Issues affecting the regulation of persons providing trading services under the <i>Real Estate Services Act</i>. • Property transfer tax exemptions and tax relief • Housing affordability •
TP	Motion Picture Production Industry Assn. of BC	Peter Leitch Chair 604 983-5555 PeterL@nsstudios.ca	Established in 2002, the Motion Picture Production Industry Association of British Columbia (MPPIA) is a member-based non-profit organization focusing on BC's motion picture production sector.	<ul style="list-style-type: none"> • Film Tax Credits (domestic and foreign productions)

Branch	Organization	Contact	Description	Key Issues
TP	Canadian Media Producers Association	Liz Shorten, Chief Operating Officer 604 694-2711 liz.shorten@cmpa.ca	The Canadian Media Producers Association (CMPA) is a trade association representing more than 350 companies engaged in the development, production and distribution of English-language television programs, feature films and digital media.	<ul style="list-style-type: none"> Film Tax Credits (domestic productions)
TP	EP Canada Film Services Inc	Cheryl Nex Chief Executive Officer 604.987.2292 Personal Information	EP Canada is a payroll company providing clients with production payroll services and software, it is affiliated with Entertainment Partners of Los Angeles.	<ul style="list-style-type: none"> Film Tax Credits

Branch	Organization	Contact	Description	Key Issues
TP	DigiBC	Brenda Bailey Executive Director	DigiBC --- The Interactive & Digital Media Industry Association of British Columbia --- is a member-supported, non-profit organization, based in Vancouver. It was previously called the Wireless Information Network (WIN) and New Media BC.	<ul style="list-style-type: none"> • Interactive digital media tax credit
TP	Canadian Association of Petroleum Producers	Tim McMillan President and CEO Personal Information	Industry association representing upstream oil and natural gas industry	<ul style="list-style-type: none"> • Value added tax • Concessions should carbon pricing increase
TP	Mining Association of BC	Michael Goehring President and CEO mgoehring@mining.bc.ca	Industry association representing mining in BC	<ul style="list-style-type: none"> • Value added tax or expansion of PM&E exemptions • Mining income tax credits enhancements

Branch	Organization	Contact	Description	Key Issues
TP	LNG Alliance	Bryan Cox President and CEO	Industry association in support of LNG development in BC	<ul style="list-style-type: none"> • NG Income Tax Credit • PST exemptions • Carbon tax
TP	BC Marine Terminals Operators Association	Brad Eshleman Chair	Our mandate is to improve the economic and environmental viability of B.C's marine terminals, invest in and promote the value of the port industry to local communities, the province and the nation.	<ul style="list-style-type: none"> • Ports Property Tax Act
IFR	Union of BC Municipalities	Garry Maclsaac Executive Director 604-270-8226 ext 105 (Richmond) 250-356-2956 (Victoria)	Main body for local government issues and intergovernmental issues raised by municipalities across the province.	<ul style="list-style-type: none"> • Taxation • Revenue Sharing
IFR	Resource Benefits Alliance (RBA)	Kris Boland, Project Manager, 250-615-6100 Personal Information	Lobby group for a group of municipalities in the north west of the province.	<ul style="list-style-type: none"> • The creation of a long term funding agreement to support economic development in the northwest.

Branch	Organization	Contact	Description	Key Issues
IFR	City of Terrace	Mayor Carol Leclerc cleclerc@terrace.ca	Municipality in the north west of the province.	<ul style="list-style-type: none"> • LNG and economic growth in their region. • Social programs and investment in social programs for their community. • Member of the RBA and a strong advocate for a long term funding agreement for the northwest. •

PROVINCIAL TREASURY

ADM Responsible: Jim Hopkins

Core Business/ Program Area Description/Critical Business Processes:

Provincial Treasury (PT) is comprised of four lines of business (BCM, DMB, RMB and CPF) which have specialized and unique mandates in the public service and two management support service units (ISB and COP). Treasury and risk management services are extended to all ministries, Crown corporations and public sector agencies.

Banking and Cash Management Branch (BCM): The internal bank and back office to the province. It manages the province's \$130+ billion dollar operational cash flow and would rank as one of the larger financial institutions in Western Canada. Negotiates agreements for banking services. Provides management services to support revenue collection, and government payments including debt servicing, and develops electronic banking and payment services. Governs payment card industry (PCI) standards including oversight of annual audits. Manages the Central Deposit Program for SUCH sector entities and Crown corporations to invest surplus cash and permit government to use the balances to reduce taxpayer supported debt (balance at September 30, 2020: \$2.2 billion).

Debt Management Branch (DMB): Provides a centralized debt management service to the government and its Crown corporations and agencies with advice on portfolio management from the Risk Committee which includes external experts. In addition to borrowing funds to meet client requirements, the branch manages all principal and interest payments and enters into derivative transactions to manage interest rate and foreign exchange risks. The branch is also the lead entity for managing the province's relationship with the credit rating agencies and its fixed income investor relations program. Net debt is estimated to total about \$87.9 billion as at March 31, 2021, and the province's borrowing requirement from the money markets and capital markets is estimated at around \$18.5 billion for 2020/21.

Risk Management Branch and Government Security Office (RMB): Provides a collection of risk management programs for the provincial public sector to manage the risk to which it is exposed by virtue of its policies, assets, programs and operations. These programs include serving as risk management advisor and consultant which entails exercising the statutory authority to approve indemnities, risk management program development and delivery, delivery of risk financing programs including traditional insurance and self-insurance and claims and litigation management.

The position of Chief Security Officer was established in RMB in January 2011. The Officer provides overall coordination of government security policy among responsible agencies including security strategies, information sharing, security awareness, asset protection and technical assistance with investigations.

Corporate and Project Finance Branch (CPF): Provides financial advisory services to ministries, and Crown and public sector agencies to support procurement of capital assets, public-private partnerships, and divestiture initiatives. Supports programs across government by providing perspectives on financial assets, and programs requiring specialized financial expertise. Arranges project financing for clients which are typically limited

recourse to the project or the borrowing entity. Also, leading government initiatives on projects related to sustainable finance including environmental, social and governance work.

Information System Branch (ISB): The Information Systems Branch directly supports and manages systems for the division. The ISB indirectly supports the broader government sector through its development, management, operation, support and maintenance of divisional systems and data. The ISB focus is on assisting the business branches with achieving their client service objectives along with the ongoing care and maintenance of divisional applications. ISB leads IT projects both major and minor, capital and operational, in conjunction with business branches. The ISB communicates and collaborates with its government peers and partners as necessary, such as the Ministry of Finance Chief Information Officer, staff in Finance’s Information Management and Information Technology Branch and the Office of the Chief Information Officer.

Corporate Operations (COP): Corporate Operations provides administrative support to the division with responsibility for Budgets, Facilities, Financial Administration, and Business Continuity Planning Coordination.

Budget: 2020/21:

Provincial Treasury operates under a \$1,000 Vote.

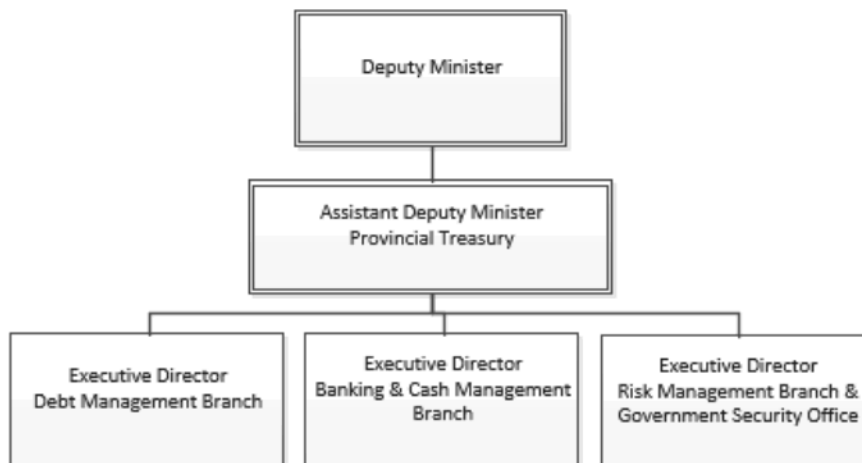
Full Time Equivalents (FTEs):

119.6 FTEs as of September 26, 2020

Related Legislation:

- *Financial Administration Act*

Organizational Chart:



30/60/90 DAY DECISIONS
Provincial Treasury

Ministry Issues

30/60/90	Issue	Division Resp
90	Cabinet Confidences; Advice/Recommendations	PT
90	Cabinet Confidences; Government Financial Information	PT
90	Coastal GasLink Business Information; Intergovernmental Communications; Government Financial Information	PT

INFORMATION NOTES
Provincial Treasury

Ministry Notes

	Topic	Division Resp
Advice/Recommendations		PT
Cabinet Confidences; Advice/Recommendations		PT
	Debt Management Related Budget Activities	PT
	Delegation under the <i>Bonding Act</i> - Change Custodian from Minister to ED of RMB	PT
	Financial Security Review	PT
Security Concern		PT
	Transformation of the Master Insurance Program to the Social Services Liability Group Program	PT
	BC Prosperity Fund	PT
	Overview of Debt Management Branch operations	PT

INFORMATION NOTE

Issue:

Advice/Recommendations

Background:

- Currently, the Province funds asset losses using its own existing cash flow (without reliance on any policy of commercial insurance or reinsurance). Self-insurance has proven to be a cost-effective way of financing non-catastrophic risk exposures for the Province.
- The Province has been fortunate in that it has not experienced a catastrophic event leading to significant damage to self-insured assets, although it has incurred significant response and recovery costs due to flood and wildfires.
- A significant seismic event will pose unique challenges. The accumulation of self-insured assets and population in a seismically active area compounds both the complexity of responding to an event and the severity of the impacts on Provincial finances.

Advice/Recommendations

INFORMATION NOTE

Issue: Cabinet Confidences; Advice/Recommendations

Background:

- Citizens, the financial and investment community and special interest groups are demanding more and more that corporate and government entities demonstrate compliance with ESG best practices. For example, 58 percent of companies in the S&P 500 Index publish some form of sustainability report. Further, the largest fund managers in the world and central banks are qualifying investments by evidence of ESG compliance.
- There is not yet a global or enforceable standard which defines best ESG practices nor is there yet a standard for ESG reporting. Nonetheless, it is important that the province demonstrate its ESG credentials to support a favorable welcome from stakeholder in Canada and abroad.
- Provincial Treasury staff in the Ministry of Finance (FIN), along with staff in the Ministries of Jobs Economic Development and Competitiveness (JEDC), Environment and Climate Change Strategy (ENV) and Energy, Mines and Petroleum Resources (EMPR) have collaborated to focus on ESG practices. As a result, staff have been examining how BC's policies, programs and legislation fit within an ESG framework.
- Provincial Treasury has regular consultations with its banking advisors as part of its mandate in issuing debt on behalf of the province. In spite of BC having a very strong ESG story with ESG work being conducted in ministries across government, feedback from the financial and investor
Cabinet Confidences

Cabinet Confidences

- Examples of the province's credentials in the ESG sector include Environmental: Clean BC ; Social: affordable housing, poverty reduction, Pandemic Action Plan; social infrastructure investment ; and Governance : rule of law, Declaration of the Rights of Indigenous Peoples Act, Public Interest Disclosure Act .

Issue/Opportunity:
Cabinet Confidences

INFORMATION NOTE

Issue:

- Debt Management Related Budget Activities

Background:

- Just prior to, and after the release of the 2021/2022 Budget, there will be several activities with the financial community and credit rating agencies which typically have required participation of the Minister. These activities will follow past practice other than in-person meetings due to COVID-19. The purpose of this note is to highlight those various activities

Issue/Opportunity:

- *Rating Agency Briefing Calls*
Release of the 2021/2022 Budget may be as late as April 2021, in accordance with the *Budget Transparency and Accountability Act*. On the day of the release, the Deputy Minister along with ministry staff will provide a high-level and confidential briefing to credit rating agencies on the key points that will be delivered by the Minister in the Budget. Debt Management Branch (DMB) staff will confirm the participation of Moody's, Standard & Poor's (S&P) and Dominion Bond Rating Service (DBRS). These calls do not require participation from the Minister and the purpose is to ensure the agencies understand the government's budget goals and help them accurately field questions from investors and the media.
- *Post Budget Teleconference Call*
In the days after the Budget, one of the province's domestic bank dealers will host a conference call to review the Budget with the province's domestic and international debt underwriting syndicate members and investors. Historically, Ministers of Finance have participated in these calls dating back to the 1992 Budget. The Minister will be asked to open the call with a brief introduction and a 10 to 15-minute Budget discussion. There will be an opportunity to field questions from the participants. Time will be booked in the Minister's calendar on the morning of the call from 7:30 am to 9:00 am and Ministry staff will provide a pre-call briefing. A more detailed briefing note will be provided closer to the date scheduled for this teleconference call.
- *Post Budget Rating Agency Updates*
Four credit rating agencies (DBRS, S&P, Moody's and Fitch) will participate in day-long virtual technical briefings with staff on the 2021/2022 Budget. These meetings are expected to take place about a month after budget release (i.e. likely April 2021). The Minister's participation in these technical briefings may consist of hosting a separate conference call with two or three of the rating agencies. The conference calls will provide an opportunity for the Minister to convey key Budget themes and strategies and will allow the rating agencies to put questions on policy, which staff are not as well positioned to address.

Briefing material will be supplied closer to the time of these technical briefings and after the rating

agencies have had an opportunity to review the Budget and indicate policy areas of interest.

Topics which staff expect to discuss during the technical briefings would likely include: COVID-19 update, economic update, fiscal update (including capital plan), debt management update, housing, BC Hydro (including Site C), ICBC, Clean BC, and LNG.

- *2021 Investor Relations Meetings*

The prime purpose of the 2021 North American investor relations (IR) meetings will be for Ministry staff (Provincial Treasury and Treasury Board Staff) to have discussions with domestic and US investors on the 2021/2022 Budget. Previous IR activities after the annual Budget consisted of a Minister-led roadshow with trips to major financial centres such as New York, Boston, Toronto and Montreal. However, expected travel restrictions with COVID-19 will result in IR activities being conducted with webcasts / conference calls. Ministry staff will be able to lead many of the required investor meetings.

The IR meetings will review the Province's economic and fiscal situation with senior members of the Province's domestic and international bond syndicates and institutional investors who hold or are considering buying BC securities. Timely disclosure and transparency with investors is a hallmark of how the province manages these important relationships. DMB would expect that topics listed under the above Post Budget Rating Agency Updates would also be of interest to investors.

- *Long-term Borrowing Order-in-Council (OIC)*

The Long-term Borrowing OIC is an annual request for Cabinet and it provides authority for the Minister to borrow funds (via issuance of bonds) to meet the province's financing requirements as outlined in the Budget.

Financing requirements under this OIC would be completed in either the domestic or US global markets and proceeds will be loaned to government and/or government bodies/corporations.

The OIC will be presented for approval by June 2021 and will involve staff from the Debt Management Branch and Legislative Council. The province will have ample borrowing authority to cover its needs in the first quarter of the new fiscal year.

INFORMATION NOTE

Issue:

- Designating the Executive Director, Risk Management Branch in the Ministry of Finance (ED RMB) under the Bonding Act as custodian for bonds under various specified Acts with authority to delegate.

Background:

- Financial guarantees (“bonds”), means security of any kind, received from third parties to ensure performance of their obligation arising under an enactment, a licence, a permit, a contract or another similar obligation, and include the terms under which the security may be realized.
- The primary duty of a custodian is to keep the bonds received safe. The Bonding Act for which the Minister is responsible sets out custodian functions for bonds under various Acts, and any regulation made under them, as per Division 9 – Designated Acts of the Bonding Regulations.
- In early 2020, the ED RMB was designated by the Minister as a person who may appoint a person to act on behalf of the Minister as a custodian under section 4(2)(b) of the Bonding Act for the class of bonds required under the Independent School Act.
- The ED RMB, as a designee appointed by the Minister, consequently appointed the ED Independent Schools Branch (ISB) of the Ministry of Education to act on behalf of the Minister as custodian of those bonds, subject to the condition that the ED RMB works with the ED ISB and her staff to establish a process to ensure compliance with the Bonding Act and the Bonding Regulations and adherence to good bonding practices.

Advice/Recommendations

Cabinet Confidences; Advice/Recommendations

INFORMATION NOTE

Issue:

- Financial Assurance – corporate policy ; **Cabinet Confidences**

Background:

- Financial assurance ('bonds'; also known as 'financial guarantees'), means security of any kind, received from third parties to ensure performance of their obligation arising under an enactment, a licence, a permit, a contract or another similar obligation, and include the terms under which the financial security may be realized.
- The Bonding Act for which the Minister is responsible sets out custodian functions for bonds under various Acts, and any regulation made under them, as per Division 9 – Designated Acts of the Bonding Regulations. The Minister is the custodian of these bonds but can delegate duties to others.
- There are more than 20,000 financial security records with an estimated value of \$4bln across the government.

Advice/Recommendations

Cabinet Confidences

Cabinet Confidences

RMB is also consulting with several ministries on updating their internal procedures and reporting requirements for the securities held including taking inventory of financial securities, determining adequacy of security for mitigating exposures and procedures to activate use of securities.

- RMB is looking into the possibilities to conduct regular government-wide reporting on financial securities.
- RMB is also investigating if the government could accept and process some of the financial securities electronically.

Issue/Opportunity:

- Following up on the consultant's recommendations, RMB is conducting work to formulate a corporate policy on financial securities. The first draft has been consulted with Office of the Comptroller General - Financial Management Branch. **Cabinet Confidences**

Cabinet Confidences

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Security Concern

INFORMATION NOTE

Issue:

- Master Insurance Program (MIP) transition to Social Services Group Liability Program (SSGLP)

Background:

- The Master Insurance Program (MIP) was developed in 1988 in response to a hard insurance market which left Social Service Providers unable to find the insurance coverage required to perform their social services on behalf of the Province.
- MIP remained unchanged for over 30 years, as MIP was a very broad coverage, the SSGLP was developed to limit the exposure of the program by excluding business risks which were not meant to be insured by the Province. The program covers the service delivery risks of the service provider.
- Risk Management Branch (RMB) had a duty to ensure that the program was updated to reflect the current insurance market conditions and subsequent coverages that are now readily available, and the decision was made in 2018 to end the MIP and begin a new program called the Social Services Group Liability Program.
- Transitioning of MIP to the SSGLP began in January of 2019.
- The new program has cost implications for social services agencies due to a tightening of criteria by underwriters. Some agencies will need to purchase coverages to cover their services.
- Delegated Aboriginal Agencies may be affected by way of coverage parameters. Coverage is provided for services provided, and not the actions of the Agencies themselves which will require those who do not currently carry such coverages to purchase in the commercial market.
- RMB knew this at the outset and obtained the Minister's agreement to proceed. The process was phased over multiple years and may still give rise to displeasure from impacted groups.
- Transition will be finalized December 31, 2020 for the majority of stakeholders and MIP will expire in its entirety by March 31, 2021.

INFORMATION NOTE

Issue:

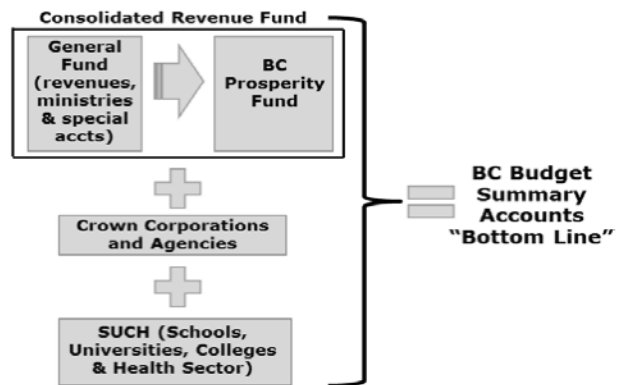
- The BC Prosperity Fund has an estimated balance of \$535M at September 30, 2020 (unaudited).

Cabinet Confidences; Advice/Recommendations

Background:

- The BC Prosperity Fund (Fund) stands at an estimated \$534.9M at September 30, 2020 (unaudited). This consists of:
 - An inaugural payment of \$100 million to establish the Fund in Budget 2016;
 - \$400 million transferred in September 2016, based on the 2015/16 final audited surplus; and
 - Accumulated external investment earnings of \$34.9 million.
- The Fund is established under section 47 of the *Financial Administration Act*) and intended to:
 - Help reduce the Province’s taxpayer-support debt over time;
 - Make capital and operating investments in health care, education, transportation, family supports and other government priorities; and
 - Preserve a share for future generations.

- The chart shows that the Fund is simply another component of the government’s Consolidated Revenue Fund. Annual revenue (e.g. investment income) and spending (excluding debt reduction) of the Fund are included as part of government’s bottom line reported in the annual Budget, Estimates and Public Accounts.



- Under legislation, uses for the Fund are controlled by Treasury Board as follows:
 - 25% of the total of all amounts that have been transferred to or earned by the Fund must be retained by the Fund;
 - 50% (or 2/3 of the remaining 75%) must be used for reducing the debt of the taxpayer-supported government reporting entity; and
 - 25% will be available for priority spending including capital and operating improvements in health care, education, transportation and job training, and providing family supports.
- The Fund has real assets which are externally invested following Treasury Board approved policies. As at September 30, 2020, funds are currently held in accounts at two chartered Canadian banks.

- By September 15 each fiscal year, Treasury Board decides on any transfers to the Fund provided that there was an operating surplus recorded in the previous fiscal year. Since 2016/17, Treasury Board has not elected to make further additions to, or withdrawals from, the Fund, instead opting that all surplus General Fund cash balances at March 31 be used to help reduce government's direct operating borrowing requirements and debt.
- The Fund has two primary investment objectives:
 - Capital preservation – to protect against decreases in Fund asset values; and
 - Income generation – to meet or exceed the average yield on the Provincial working capital portfolio.
- The initial asset allocation policy weighting requires at least 75% of the fund to be invested in short term fixed income deposits and permits a maximum of 25% of the fund to be invested in 1 – 5-year duration fixed income deposits.
- On an annual basis, the Ministry will review the performance of the Fund's investments, asset allocation framework, and asset class policies to ensure that the investments are managed prudently.
- The benchmark yield for the Fund is to meet or exceed the yield generated by the cash management working capital pool. Actual results for the 12 months ending March 31, 2020 were 2.26% yield for the Working Capital Pool and 2.25% for the Fund.

Cabinet Confidences; Advice/Recommendations

- Additionally, the impact of COVID – 19 on the Province's access to borrowing capital markets has resulted in added need to maintain the Fund's liquidity as a potential backstop to provincial liquidity requirements during this period of economic uncertainty. Treasury Board granted pre-approval to access the fund for up to \$400 M if needed. To date it has been unnecessary to access these funds.
- Currently, banks are dropping rates and it is anticipated that rates paid the Fund's short-term investments will drop as well.

Issue/Opportunity:

Cabinet Confidences; Advice/Recommendations

INFORMATION NOTE

Issue:

- Overview of Debt Management

Background:

- The Minister of Finance is fiscal agent for the Province and all the Crown corporations and agencies.
- Debt management in the Province operates under the authority of the *Financial Administration Act*. As the centralized borrowing authority for the government and its Crown corporations and agencies, it is imperative that the Debt Management Branch (DMB) provide the requisite expertise and direction on the management and financing of its client debt portfolios.
- DMB operates in accordance with delegated authorities set by the debt policy and risk parameters of the Ministry Risk Committee.
- The Risk Committee is chaired by the Deputy Minister of Finance and includes five external members who possess advanced knowledge of the capital markets and debt management.
- The Risk Committee acts as a senior advisor with respect to the province's liability management policies and activities. It monitors debt management compliance / performance and provides recommendations on risk parameters, borrowing strategy and exposure limits.
- DMB is the Province's conduit to the capital markets and is in regular contact with the debt capital markets desks at the major investment banks and dealers in Canada, and major financial centres globally.
- The Branch has a unique role in government acting as a capital market participant and has strong long-term relationships with private sector financial institutions and institutional investors such as insurance companies, treasury fund managers, pension funds and central banks. This allows the Province to secure cost-effective financing for taxpayers.
- DMB is also a conduit for the Province to source ancillary services and information from the private sector in areas such as:
 - Capital markets
 - Project finance
 - Banking and lending services
 - International trade and relations
 - Economic and financial market analysis and strategy
 - Financial Policy and intelligence
- DMB operations are conducted by the following departments:
 - *Capital Markets*
Arranges debt financing (short term and long term) in the domestic and international capital markets for government requirements and clients
 - *Corporate Relations & Portfolio Settlements*
Coordinates credit rating agency and investor meetings, completes all required regulatory filings and due diligence calls, maintains all documentation and approvals for borrowing programs, facilitates debt and derivative settlements, and services outstanding debt and derivative portfolios
 - *Reporting & Analysis*
Financial reporting of debt, preparation of budget and debt forecast information, and

- management of accounting policy compliance and controls
 - *Risk & Performance Measurement*
Financial risk governance and management through establishment of risk policies and guidelines and debt performance metrics
 - *Business Systems*
Oversight of the Debt Management System which supports Branch operations
- The attached document provides more comprehensive information on the province’s debt and how it is managed.

OVERVIEW OF DEBT MANAGEMENT

Table 1: Provincial Borrowing Requirements and Gross Change in Debt

	Updated Forecast 2020/2021 (Q1 Report)	Budget Estimate 2020/2021
	\$millions	
Operating deficit/(surplus) ¹	12,792	(227)
Capital requirements	10,387	10,535
Refinancing Requirements	3,061	3,029
Other Financing sources ²	(7,767)	(4,787)
Gross Borrowing Requirements	18,473	8,550
Add: guarantees, non-guaranteed, SUCH debt	297	432
Gross increase in debt	18,770	8,982

1) Includes the forecast allowance change from the previous year

2) Includes other financing sources for the province, the health and education sectors and Crown corporations and adjustments for non-cash items

The 2020/21 borrowing requirement as tabled in the February 2020 Budget was mainly driven by capital requirements and refinancing. The Budget 2020 figure does not include COVID-19 impacts. Per the First Quarterly update, which included COVID-19 impacts, the province will have gross requirements from the capital markets of approximately \$18.5 billion versus the Budget 2020 figure of \$8.5 billion before guaranteed, non-guaranteed debt or P3 debt incurred by private sector consortia (see Table 1). ^{Advice/Recommendations}

Advice/Recommendations

So far, this fiscal year, the province has raised long term debt funding of approximately \$9.5 billion and \$1.9 billion of short term debt. The long-term debt comprised of : ~\$6.45 billion (~\$7.7 billion if you include the pre-funding for this fiscal done in late March 2020) for Consolidated Revenue Fund (CRF) uses and SUCH Sectors capital needs; ~\$2.5 billion for BC Hydro (\$2.1 billion , net of -\$370 million interest rate hedging adjustments); and ~\$500 million for Transportation Financing Authority (TFA). There remains another ~\$1.15 billion forecast funding requirements to secure for TFA with long term debt. Further long-term funding this fiscal year will be undertaken strategically to fund more CRF uses, off-lending to other Crown agencies and towards pre-funding Fiscal Year 2021/22 anticipated needs. Any other funding not raised through long term debt is being addressed with short term (money market) funding. Currently, the province's balance of short-term debt, which is financial securities with maturities within the next 12 months, amounts to around \$9.2 billion. At the beginning of the fiscal year it stood at ~\$7.3 billion.

Issuing Costs

The province's all-in cost to borrow from the capital markets in terms ranging from 1 month to 30 years is very competitive on a historical basis. The benefit is low cost debt for borrowers, with particularly better debt terms for high investment grade issuers like British Columbia.

Table 2: Indicative Issuing Costs

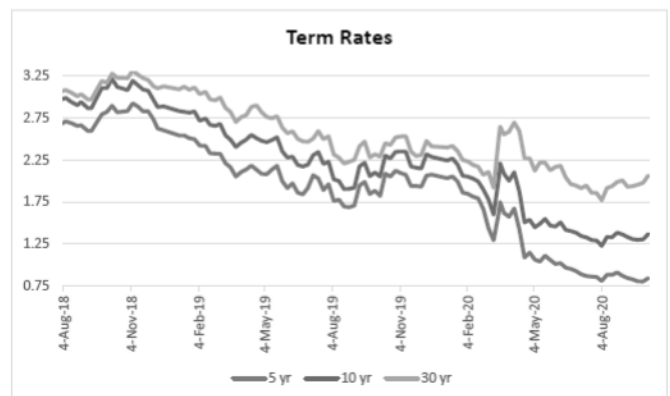
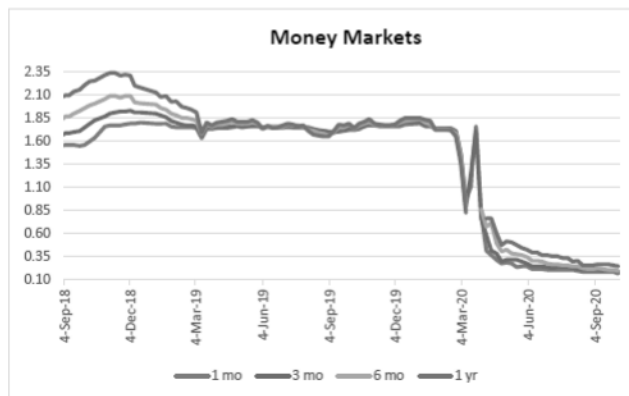
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Money Market Rates (%)						
Term (Months)	1	2	3	6	9	12
Rate	0.150	0.160	0.170	0.180	0.205	0.230

Government Financial Information

Term Rates (%)						
Term (Years)	3	5	7	10	20	30
Canada Benchmark	CAN 2 09/01/23	CAN 0.5 09/01/25	CAN 1 06/01/27	CAN 1.25 06/01/30	CAN 5 06/01/37	CAN 2 12/01/51
Can (Benchmark) Yield	0.254	0.368	0.403	0.602	0.876	1.175
Spread	<u>0.210</u>	<u>0.360</u>	<u>0.540</u>	<u>0.670</u>	<u>1.025</u>	<u>0.825</u>
Yield to Investor	0.464	0.728	0.943	1.272	1.901	2.000
Commission	<u>0.087</u>	<u>0.082</u>	<u>0.067</u>	<u>0.064</u>	<u>0.042</u>	<u>0.031</u>
Yield to BC	0.551	0.810	1.010	1.336	1.943	2.031

Government Financial Information

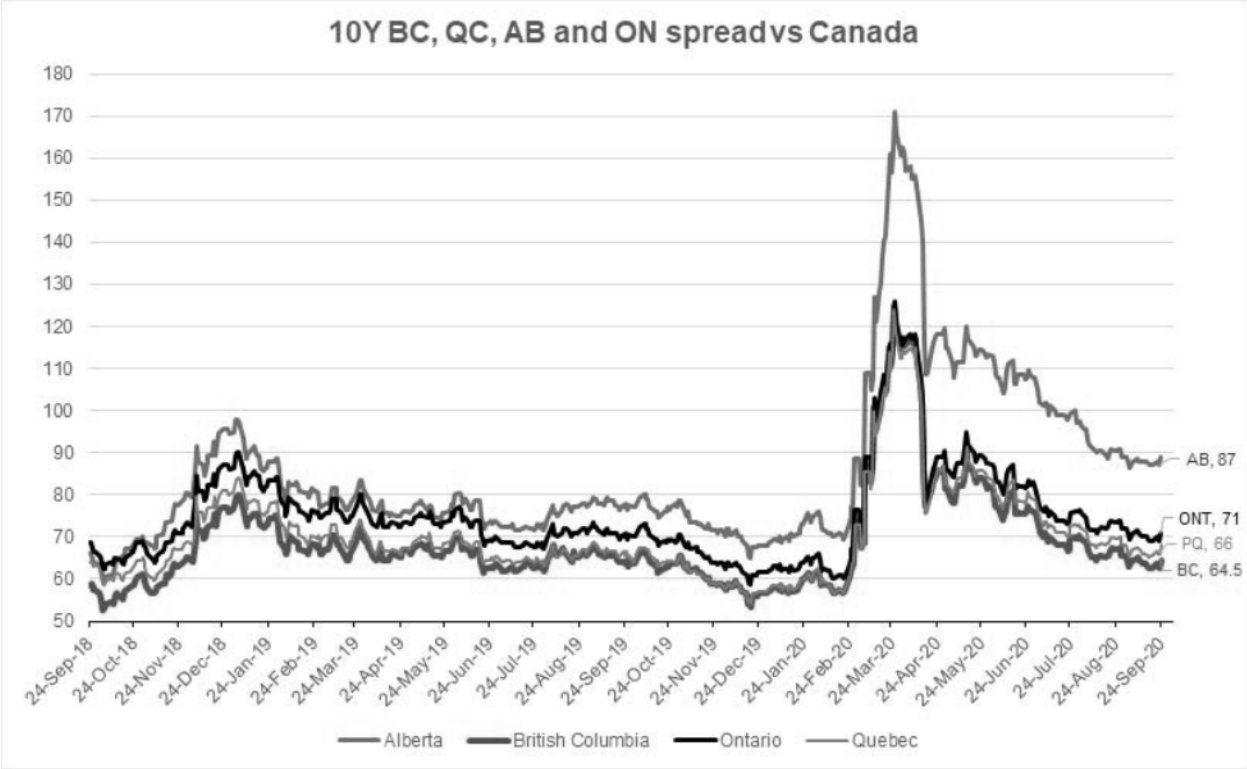


Advice/Recommendations

Advice/Recommendations

This is illustrated by the province's comparatively lower borrowing spread over the Government of Canada yields (see Table 3).

Table 3



Debt Service Costs

Taxpayer-supported debt is forecast to be \$59.8 billion at the end of 2020/21 which is \$10.6 billion higher than forecast in Budget 2020 due to the change in operating results. The taxpayer-supported debt-to-GDP ratio, a measure often used by investors and credit rating agencies to analyze a government’s ability to manage its debt load, is estimated at 20.8% for 2020/21. This has increased by 5.7% as at March 31, 2020 (15.1%) due to debt financing the needed financial and economic support to address the ongoing pandemic. British Columbia’s taxpayer-supported debt-to-GDP remains one of the lowest in Canada, translating into a strong credit rating and lower debt servicing costs. The taxpayer-supported debt-to-revenue ratio as at March 31, 2020 stood at 80.6% and is forecast to reach 110.6% by March 31, 2021; the rating agencies also follow this ratio closely.

While there is an increase in borrowing and higher debt levels, the ^{Advice/Reco} _{mmendations}; is that the B.C. government is able to borrow at low interest rates the weighted average cost of debt has decreased from 5.4% in 2009/10 to an estimated 3.9% in 2020/21; see Table 4.) ^{Advice/Reco} _{mmendations}

Advice/Recommendations

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Advice/Recommendations

3 Includes temporary borrowing of additional \$6.3b related to the in-year deferral of revenues, primarily carbon tax, EHT, fuel tax, PST and Property Tax.

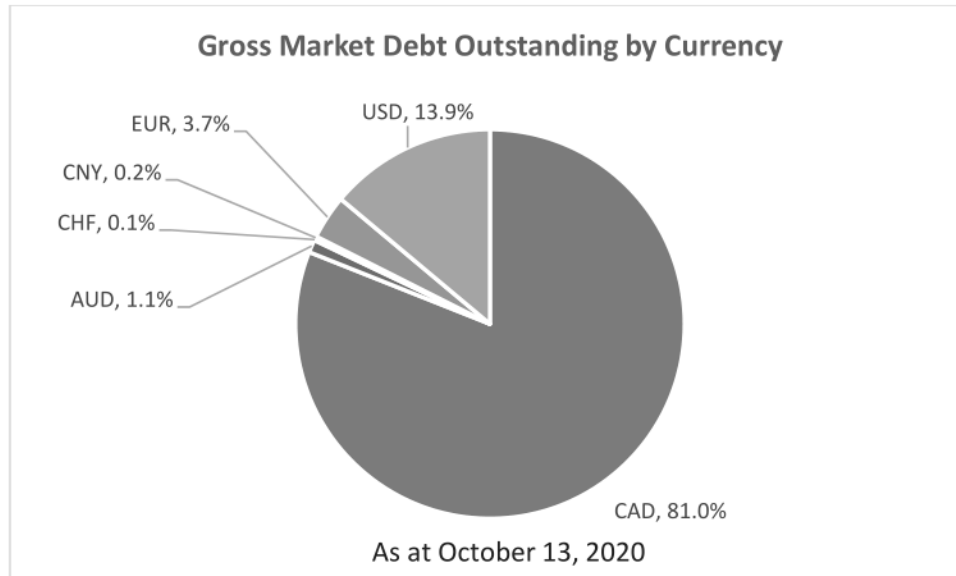
Advice/Recommendations

Table 6: Debt Reconciliation

Table 1.5 2020/21 Provincial Debt Update	
	(\$ millions)
2020/21 provincial debt forecast at <i>Budget 2020</i>	76,392
Taxpayer-supported changes:	
Higher debt level from 2019/20	1,660
Change in operating results (before forecast allowance)	12,319
Increase in cash and temporary investments	1,342
Increase in accounts payable and deferred revenue	(2,183)
Decrease in accounts receivable	(592)
Decrease in loans, advances and mortgages receivable	(1,185)
Decrease in sinking fund balances	(193)
Decrease in prepaid program costs and other non-financial assets	(538)
Lower capital spending	(111)
Lower contributions from external parties	81
Total taxpayer-supported	10,600
Self-supported changes:	
Higher debt level from 2019/20	163
Lower capital spending	(37)
Changes in internal financing	52
Total self-supported	178
Forecast allowance increase	700
Total changes	11,478
2020/21 provincial debt forecast at the <i>First Quarterly Report</i>	87,870

Taxpayer-supported debt is forecast to be \$59.8 billion at the end of 2020/21 - \$10.6 billion higher than forecast in *Budget 2020*. This increase reflects the change in the operating results of \$12.3 billion (before forecast allowance), higher opening balance of \$1.7 billion, and \$1.3 billion higher cash held for increased liquidity, partly offset by an increase in accounts payable and deferred revenue of \$2.2 billion, and decrease in other working capital of \$2.5 billion (see Table 6)

2020/21 Borrowing Activity



Note: CNY = Chinese renminbi and CHF = Swiss francs

As at October 13, 2020 the province has transacted nominal \$8.6 billion (total proceeds \$9.5 billion) in long-term borrowing.

- 8 public issues (nominal C\$4.6 billion) from the domestic market;
- 9 private issues (nominal C\$3.8 billion) from the domestic market; and
- 1 Euro private issue (nominal €170 million; CAD equivalent of \$262.7 million)
- The weighted average term of long-term borrowing is 15.9 years
- The weighted average cost of funding is 1.757%.

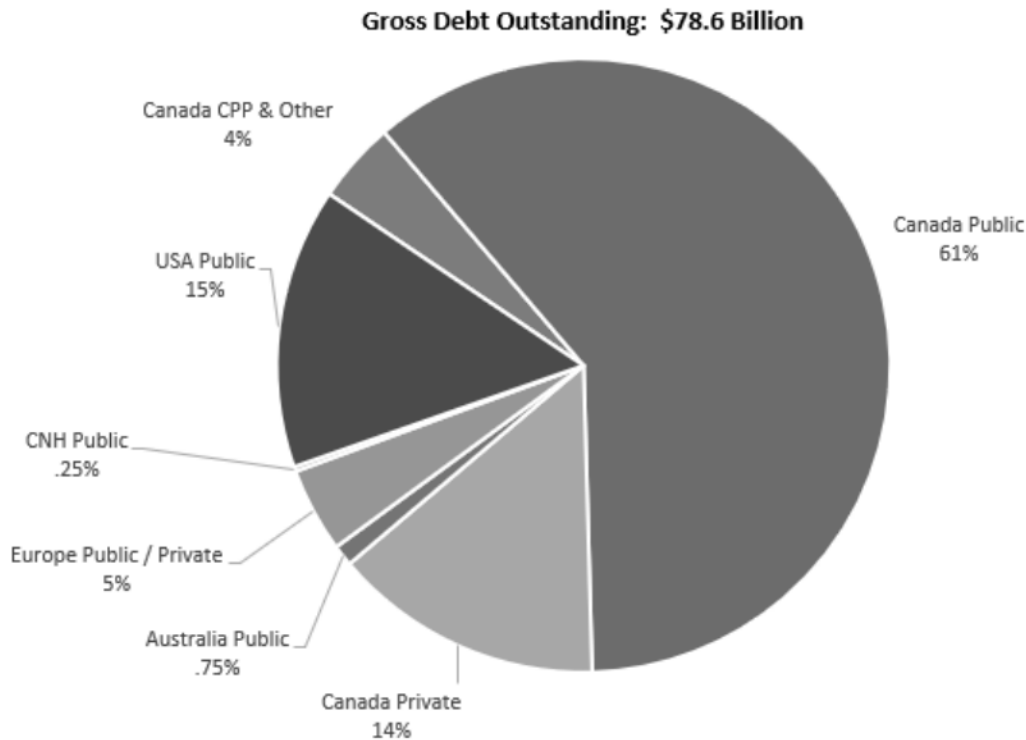
Last fiscal year, the province transacted long-term borrowing of \$6.9 billion from the capital markets including:

- 6 public issues (C\$2.9 billion) from the domestic market;
- 7 private issues (C\$1.155 billion) from the domestic market;
- 1 US\$ Global issue (US\$1.25 billion; C\$ equivalent of \$1.662 billion); and
- 7 Euro private issues (€790 million; C\$ equivalent of \$1.177 billion);
- The weighted average term of long term borrowing in 2019/20 was 17.3 years
- The weighted average cost of long term borrowing in 2019/20 was 2.321%.

From time to time, offshore financings swapped into Canadian dollar liabilities can be cost effective for the province and this helps support optimal domestic pricing to the extent it lowers the domestic supply of BC bonds.

Gross Market Debt Outstanding By Source

As estimated September 30, 2020



Market debt does not include guaranteed and non-guaranteed debt of SUCH sector and P3s.

The province issues debt in both the domestic and international markets via public offerings or private placements. The province has actively diversified its funding sources into international markets to assure ample liquidity for the province, realize interest cost savings compared to the province's domestic cost of borrowing, and to ration the supply of BC bonds to the domestic market and extract the most competitive pricing from Canadian institutional investors.

The province has been active in the international capital markets since the early 1980's. Currently, about 20.7% of the province's outstanding market debt has been sourced from US or offshore markets. Over the last ten years, the province has borrowed approximately \$11.6 billion in capital markets outside of Canada and benefits from the competitive bid from offshore investors, particularly those who place high value on the province's excellent credit rating. Borrowings in foreign currencies are usually swapped to Canadian dollar liabilities as opportunities arise to beat the province's domestic cost of funds.

The province manages its liabilities conservatively by:

- Mixing maturities across the yield curve out to 30+ years in order to minimize refinancing risk
- Ensuring that net maturities in any year do not currently exceed \$9.0 billion (refer to Risk Committee Terms

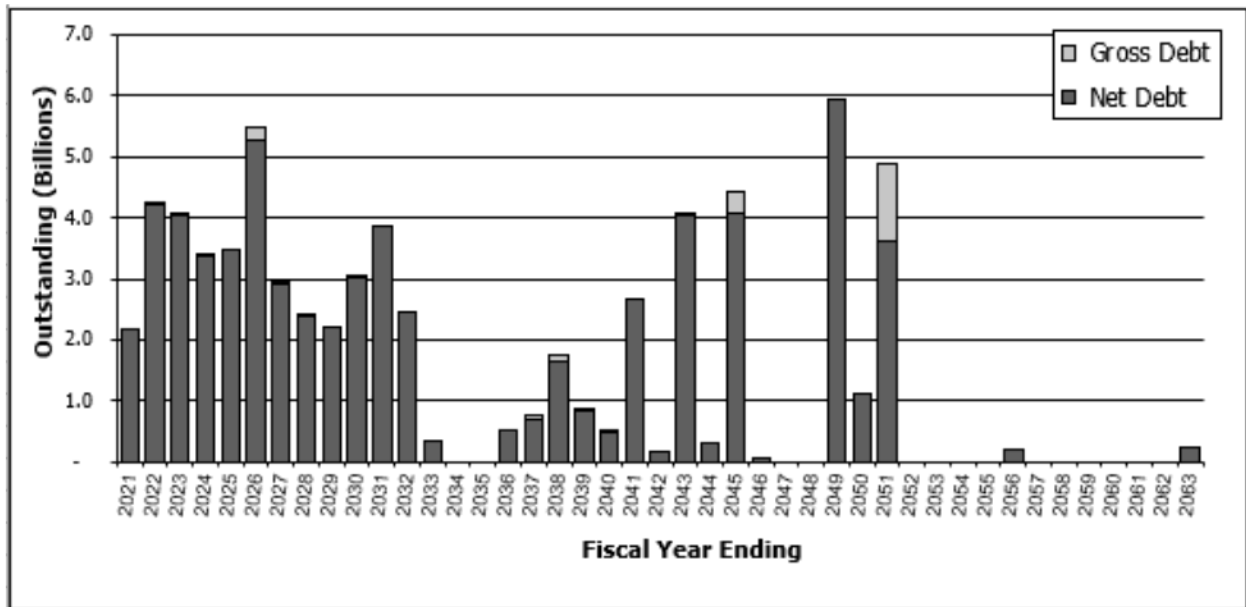
of Reference attached as Appendix A)

- Currently managing the duration of its debt portfolio to 7+ years; currently at 6.52 years, and
- Capping the unhedged foreign currency exposure of its net direct debt to no more than 10% (currently stands at zero).

Gross/Net Debt Maturities

Table 7

As at September 30, 2020

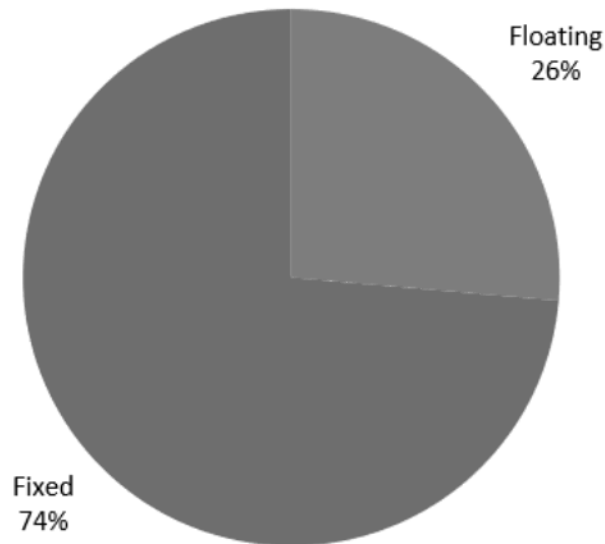


The province mixes debt maturities along the maturity curve out to 50 years in order to minimize refinancing and liquidity risks. The overall strategy is to manage the maturity schedule so that net maturities (after deducting any sinking funds) in any year do not exceed \$9 billion and preferably less. A working objective each year is to keep maturity room in the benchmark 5, 10 and 30-year terms because these terms are most highly sought by investors wanting to buy large public bond issues with liquidity.

Provincial Direct Debt¹ Profile as of September 30, 2020

The following graph shows the effect of new issues and any related hedging activities on the provincial government direct debt fixed/floating ratio. This ratio is calculated as a percentage of fixed and floating rate provincial direct debt for the government, its Crown corporations and agencies.

Fixed/Floating² Rate Exposure



1 Provincial Direct Debt includes debt for operating and capital financing purposes.

2 Floating Debt includes all debt maturing within the next 12 months, short term debt outstanding and fixed rate issues that have been converted into floating rate instruments for the provincial direct debt.

- The province's risk parameters authorize the range of floating rate exposure for the direct debt portfolio as between 15% and 45%. Floating rate exposure can be volatile from month to month due to lumpy cash inflows /outflows requiring an increase in short term debt, and debt maturities changing on a rolling 12-month basis.
- As at September 30, 2020, the duration of the portfolio (which is a measure for the weighted average term) was about 6.5 years and reflects the portfolio strategy to extend term in today's low interest rate environment.

Liquidity Strategy

It is important for the province to have sufficient access to liquidity to meet its ongoing requirements to fund operations and capital budgets in the event of a market disruption. The credit rating agencies also inquire of the province’s strategy for maintaining liquidity. Important elements of the strategy are listed in the chart:

Managed Maturity Schedule
Domestic and international borrowing programs
Authority for pre-funding
Cash/cash equivalents (\$3.6 billion at March 31, 2020)
Sinking fund assets (\$662 million at March 31, 2020)
Operating Line of Credit (\$401 million)
Prosperity Fund (\$533 million at March 31, 2020)

- the managed maturity schedule is managed to spread net maturities over the maturity curve and minimize refinancing and liquidity risks;
- maintaining access to domestic and international capital markets provides important diversification and is supported by investor tours to keep the financial community apprised of the province’s credit story;
- the province can fund in advance of requirements and has done so to manage concerns with the stability of the capital markets. Prior to April 1, 2020, during the early stages of COVID, the Province prefunded CAD\$1.2 billion in long-term;
- the provinces short term cash and cash equivalents totaled CAD\$3.6 billion at March 31, 2020 (\$5.7 billion at October 8, 2020);
- the province has sinking fund assets of \$662 million which could be accessed as a last resort. Since 2007/08, the province liquidated most of its sinking funds including those in the province direct debt portfolio, BC Hydro’s portfolio and in the BC Transportation Financing Authority portfolio;
- the province has an uncommitted operating line of credit of \$401 million; and
- the province has \$533 million invested in its Prosperity Fund of which 50% is available for debt repayments.

Other liquidity measures available to the province over 60 days include:

- the authority to raise revenue through direct taxation. Examples of the types of tax revenues can be found in the Budget and Fiscal Plan 2020/21.
- as done in prior years, the province can re-profile capital spending in-line with what is more affordable
- the province owns approximately 94 percent of the province’s land area (i.e. about 95 million hectares or 9.5 percent of Canada’s total surface area) and sizeable tangible capital assets.

Province’s Use of Derivative Products

Background:

- Derivative products are financial instruments which derive their value from another underlying instrument, such as a bond, equity, currency or commodity. Common examples of derivative products are swaps, futures and options.
- When the value of the underlying instrument changes, so will the value of the derivative product.
- Derivative products have received considerable attention in years past, as some users of derivative products have suffered enormous losses from their misuse. In some cases, these losses have resulted in bankruptcy (e.g. Barings Bank). However, these losses were the result of using derivatives to make leveraged bets on financial instruments, such as bonds, currencies or stocks, rather than to hedge risks.

Discussion:

- The province uses derivative products (primarily cross-currency and interest-rate swaps) in conjunction with its financing activities as a standard means of managing the risks associated with fluctuating interest rates and currency values. Each of these derivative products used by the province is matched against an underlying bond issue and serves to control the risks associated with the liability portfolio.
- The province follows strict policies on its use of derivative products which limit market risk (the exposure to adverse changes in prices or interest rates) and credit risk (the risk of a counterparty to a transaction failing to meet its obligations under the terms of that transaction). These limits are authorized by the Ministry of Finance Risk Committee.
- The province uses derivative products to prudently manage its liabilities and does not use derivative products or any other product for leveraging financing positions.
- The province follows strict control limits on its use of derivative products which limit market and credit risk.
- The province has used derivative products to reduce interest costs, manage its mixture of fixed- and floating-rate debt, and opportunistically borrow in foreign currencies without assuming any associated foreign exchange risk
- DMB has reviewed its debt risk mitigation strategy and has adopted a collateral management framework and policy for managing counterparty credit exposure as a result of using derivative products.
- Government Financial Information

- Government Financial Information

- Implementing a CSA that allows for a symmetrical exchange of collateral has proven to mitigate its credit risk exposure significantly and has shown to provide more price effective trades.
- It has also expanded the platform of counterparties the province has engaged with, thus creating a more balanced and competitive marketplace.
- The Bank of Canada currently has a CSA in place similar to what the Province of BC has, and the Provinces of Quebec, Ontario, and Alberta have recently or are currently re-negotiating CSA's that involve some form of collateral exchange.
- The use of CSA's that incorporate the exchange of collateral is a best practice initiative and is market standard

- The Province has balanced its cost and risk tradeoff within its CSA requirements that will enable it to secure the lowest long run cost of debt while avoiding any undue risk.

Debt Burden

By any measure British Columbia's debt is affordable and, that fact materially explains the seven credit rating upgrades since 2004 and the province's triple-A credit rating.

Credit rating agencies focus on debt affordability measures as opposed to absolute debt levels, e.g. debt as a percentage of GDP and revenue. Further, the rating agencies pay special attention to affordability of taxpayer supported debt as opposed to debt which is borne by standalone commercial entities and fully serviced by revenues of those enterprises.

Table 8 shows various measures used to determine debt affordability.

Table 8: Debt Affordability Measures

Fiscal Year (Millions):	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*
Taxpayer Supported:	\$31,821	\$34,659	\$38,182	\$41,068	\$41,880	\$42,719	\$41,499	\$43,607	\$42,681	\$46,229	\$59,802
Commercial Crowns and other self-supported:	13,333	15,534	17,634	19,625	21,040	22,532	24,338	21,312	23,281	25,932	28,068
Total Provincial Debt:	45,154	50,193	55,816	60,693	62,920	65,251	65,837	64,919	65,962	72,161	87,870
Percentage change of total provincial debt (YoY):	7.8%	11.2%	11.2%	8.7%	3.7%	3.7%	0.9%	-1.4%	1.6%	9.4%	21.8%
Taxpayer supported debt-to-revenue:	78.80%	85.10%	93.60%	96.40%	94.10%	91.30%	81.80%	82.50%	75.00%	80.60%	110.60%
Taxpayer supported debt to GDP:	15.40%	15.80%	17.10%	17.80%	17.20%	17.00%	15.70%	15.40%	14.40%	15.10%	20.80%
Taxpayer supported interest bite:											
Taxpayer supported interest cost per dollar of taxpayer supported revenue:	4.00%	4.00%	3.90%	3.70%	3.70%	4.10%	3.20%	3.30%	3.20%	3.10%	3.50%

*forecasted

Sources: Fiscal and Economic Review

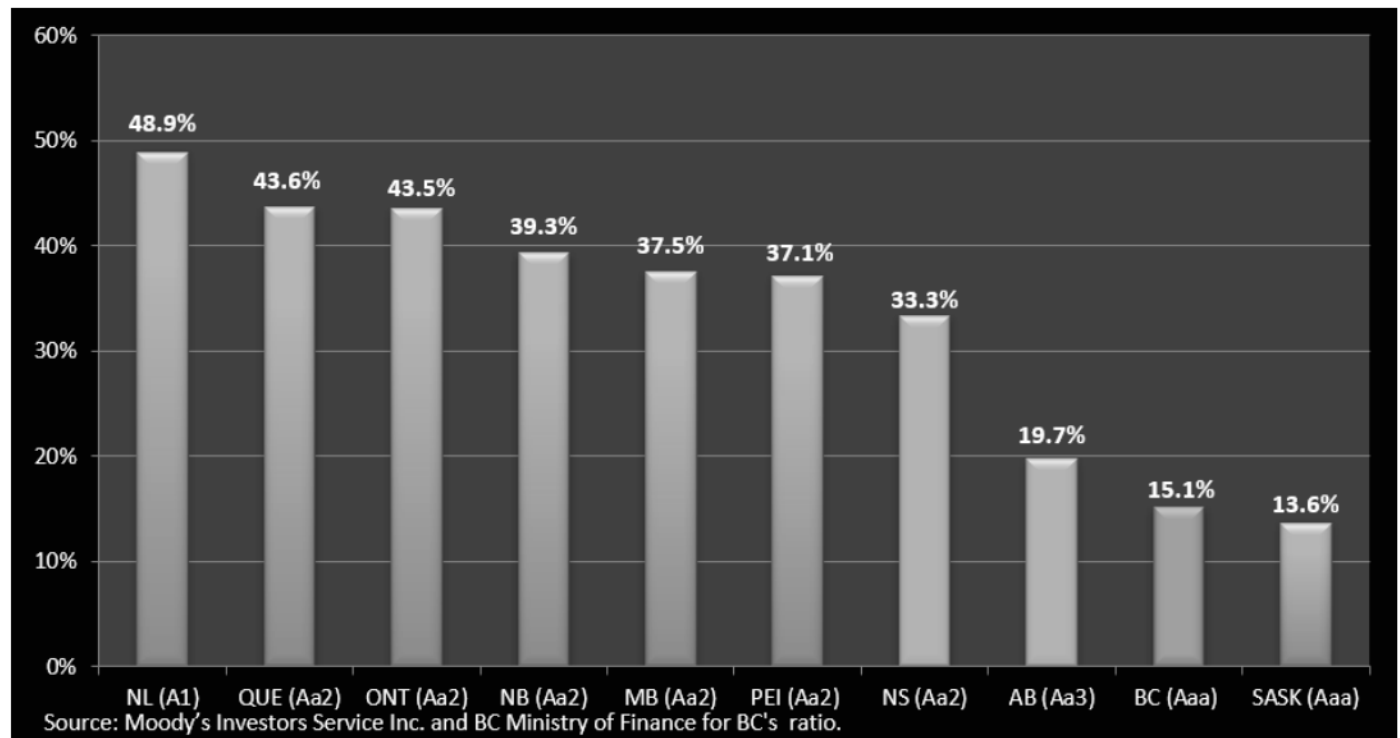
2020/21 First Quarterly Report

Budget and Fiscal Plan 2020: table A19

Interprovincial Comparison of Taxpayer-Supported Debt to GDP as at March 31, 2019

Taxpayer supported debt to GDP has declined significantly over the past two decades from a high of 21.1% in 2002/03 to a low of 12.8% in 2008/09 and was 15.1% at March 31, 2020. Due to COVID, the ratio is estimated by the province to increase to 20.8% at March 31, 2021 (Q1).

Table 9



*NL, NB, MB are as at March 31, 2018

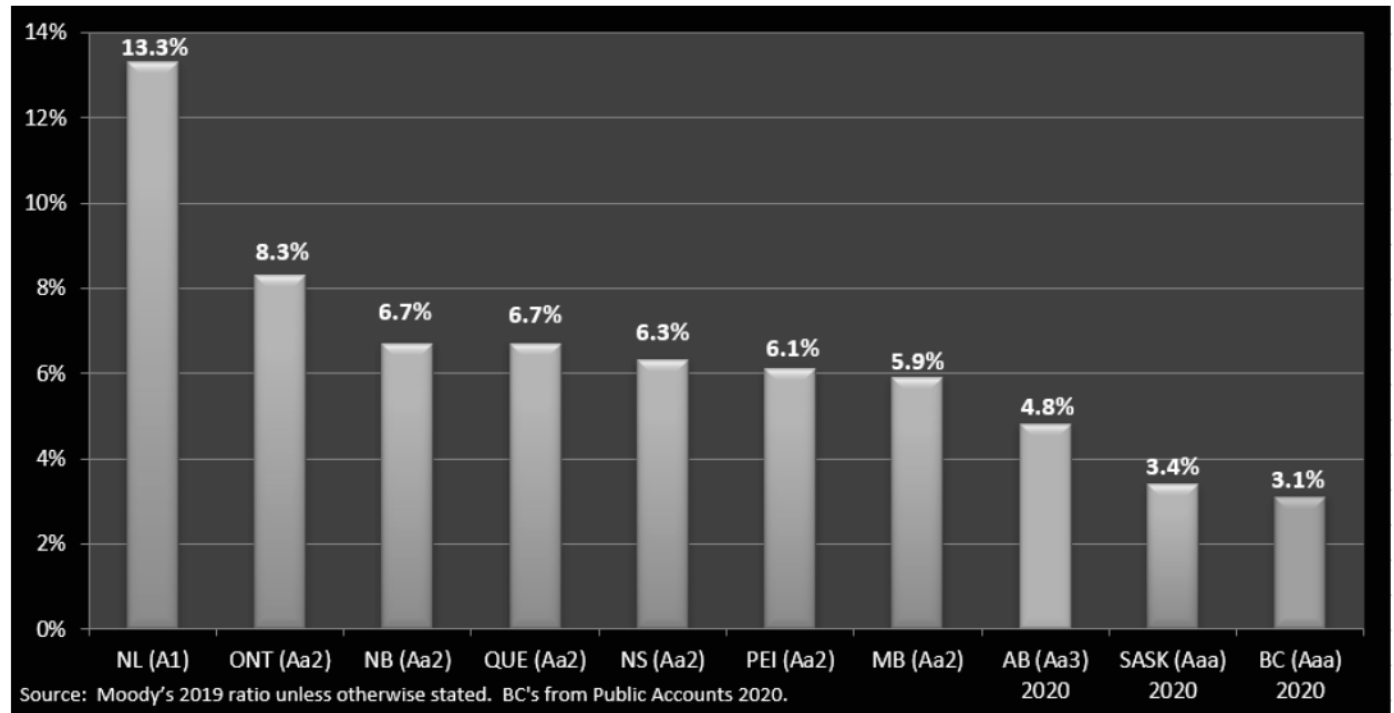
**BC figure is from Public Accounts 2020

According to Moody's Investors Services, BC has the second lowest debt to GDP ratio among the provinces. BC compares favourably internationally with the US (92.6%), UK (85.4%), and Japan (205.4% (2018)).

While Canada's general government debt to GDP is 79.2% (2018), provincial and municipal debt account for the majority of this ratio (46%). According to Moody's, Canada has one of the least affordable debt burdens among triple A-rated sovereigns and G7 countries; however, given the declining interest rate environment, government financing is less costly than in the past. The ratio is estimated by the province as 3.5% at March 31, 2021.

Interprovincial Comparison of Taxpayer-Supported Debt Service Costs as a % of Revenue as at March 31, 2019

Table 10



The percent of revenues required to service taxpayer supported debt is also tracked by the rating agencies to assess an issuers debt affordability.

BC's ratio has held steady in recent years between 3.3% and 3.1%. Moody's reports that the province has the lowest "interest bite" among provinces (3.2%) which compares similarly to the figure reported in BC's Public Accounts for 2020 (3.1%). Part of the strong performance on this metric relates to refinancing high cost debt in today's low interest rate environment.

British Columbia's Public Sector Pension Risk Management

Pension Plan Background

The pension boards of trustees have been managing the risks to the plan well. Investment returns have been exceeding the longer-term return requirements. However, they may be considering further reducing their discount rates to protect against challenges in the investment markets. Three of the plans currently use 6.25% as their discount rate and the Teachers' Pension Plan uses 6%. Following are some relevant facts:

- each of the four public sector pensions plans record funded surpluses based on actuary valuations
- contributions to the plans are shared by employers and employees at a near 50:50 basis (the employer contributes slightly more to ensure they meet federal *Income Tax Act* requirements that the member does not pay more than 50% of the costs)
- between 70% to 80% of pensions are paid by investment returns
- only the basic pension is guaranteed on a defined benefit basis
- pension indexation is provided on a defined contribution basis (and are limited to funds available for the purpose – each of the plans have developed a sustainable methodology to ensure equity between the generations of members)
- post-retirement group health benefits, where provided, are on a pay-as-you-go basis (Public Service & Municipal plans provide some funding to members to offset premium costs)
- under joint trusteeship, if the triennial actuarial valuation identifies an unfunded liability, the liability must be eliminated by either increasing contributions over a period not to exceed 15 years and/or reducing benefits (the latter by consensus of the plan sponsors)

Pension Plan Positions

The chart below shows the actuarial position, as at the most the recent valuation date, of the four public sector pension plans.

Table 11

Pension Plan	Number of Members (thousands)	Most recent Valuation	Funding Basis (millions)	Accrued Basis (millions)
College	28.7	Aug 31, 2018	\$303 106%	\$417 111%
Municipal	348.9	Dec 31, 2018	\$2,866 105% + \$2.485 RSA	\$4,923 113% + \$2.485 RSA
Public Service	122.6	Mar 31, 2017	\$1,896 108%	\$2,486 114%
Teachers'	97.6	Dec 31, 2017	\$1,656 106%	\$1,185 106%

* RSA – Rate Stabilization Account funds are in addition to the stated surplus

- The last **College Pension Plan** valuation, as at August 31, 2018, showed an improvement in the funding position of the plan.
 - The main contributor to the improved funding position was higher than projected investment returns. Other contributors included: lower than projected salary increases and higher membership deaths.
 - There was also an excess investment return transfer to the indexing account, representing the retiree share, of \$175 million.
 - Although contribution rates are 0.38% above the entry age cost of the benefits the decision was made to leave the contributions unchanged to strengthen the funded status of the plan for future contribution rate stability in the event of future market downturns.
 - Surplus in the plan was used to support indexing of pensions in pay and to establish and fund a Rate Stabilization Fund to cushion future contribution rate increases resulting from inadequate investment returns in the future.
- The last **Municipal Pension Plan** valuation, as at December 31, 2018, showed an improvement in the funding position of the plan.

- The main contributor to the improved funding position was higher than projected investment returns. Other contributors included: lower than projected salary increases and changes in valuation assumptions regarding membership.
- There was an excess investment return transfer to the indexing account, representing the retiree share, of \$1.363 billion.
- Although contribution rates theoretically could have decreased by 1.21% each for employees and employers, provisions in the Municipal Pension Plan Joint Trust Agreement require certain benefit improvements and consecutive employer contribution rate reductions to occur before general rate reductions can occur. Therefore, contribution rates remained unchanged.
- After paying off all past unfunded liabilities, the remaining surplus in the plan was \$663 million.
- The Rate Stabilization Account increased to \$2.485 billion.
- The last **Public Service Pension Plan** valuation, as at March 31, 2017, showed an improvement in the funding position of the plan.
 - The main contributor to the improved funding position was higher than projected investment returns. Other contributors included: lower than projected salary increases and changes in valuation assumptions. This was offset by another valuation assumptions, primarily the economic assumptions.
 - There was an excess investment return transfer to the indexing account, representing the retiree share, of \$208 million.
 - Although contribution the entry age normal cost rate for the plan increased by 0.2% above the current contribution rate, the decision was to leave the contribution rates unchanged to support contribution rate stability.
- The last **Teachers' Pension Plan** valuation, as at December 31, 2017, showed an improvement in the funding position of the plan.
 - The main contributor to the improved funding position was higher than projected investment returns. Other contributors included: lower than projected salary increases and higher contributions into the plan than projected. This was offset by valuation economic assumption.
 - There was an excess investment return transfer to the indexing account, representing the retiree share, of \$62 million.
 - Contribution rates changed to a flat contribution rate structure from the past dual rate structure and the employer contribution rate was reduced to the same rate as the member contribution rate.

CREDIT RATING (refer to Appendix B for credit rating Reports)

British Columbia Credit Ratings

Moody's Investor Service	Aaa	Stable
Standard and Poor's	AAA	Negative
DBRS Morningstar	AA (High)	Stable
Fitch	AAA	Negative

The Province has attained the highest credit rating given by Moody's, S&P and Fitch and the AA (high) rating given by DBRS is the highest rating among the provinces. DBRS is not contractually engaged to rate the province and does so on an unsolicited basis starting in 2017. Fitch is a US-based rating agency also not contractually engaged to rate the Province. However, on an unsolicited basis, the agency releases ratings on the Province from time to time. S&P and Fitch have recently revised B.C.'s rating outlook from 'stable' to 'negative' on potential fiscal weakening because of global changes and the effects of the COVID-19 pandemic, e.g. increased debt burden, significant expected deficit and negative economic growth. The report from S&P make sit clear that our fiscal management prior to COVID-19 has positioned B.C. to respond to this crisis and weather the storm better than other jurisdictions.

Canada is rated triple -A by three of the credit rating agencies (Moody's, S&P and DBRS) and is rated AA+ by Fitch.

Table 12: British Columbia's Credit Rating History
(Moody's, S&P, DBRS)

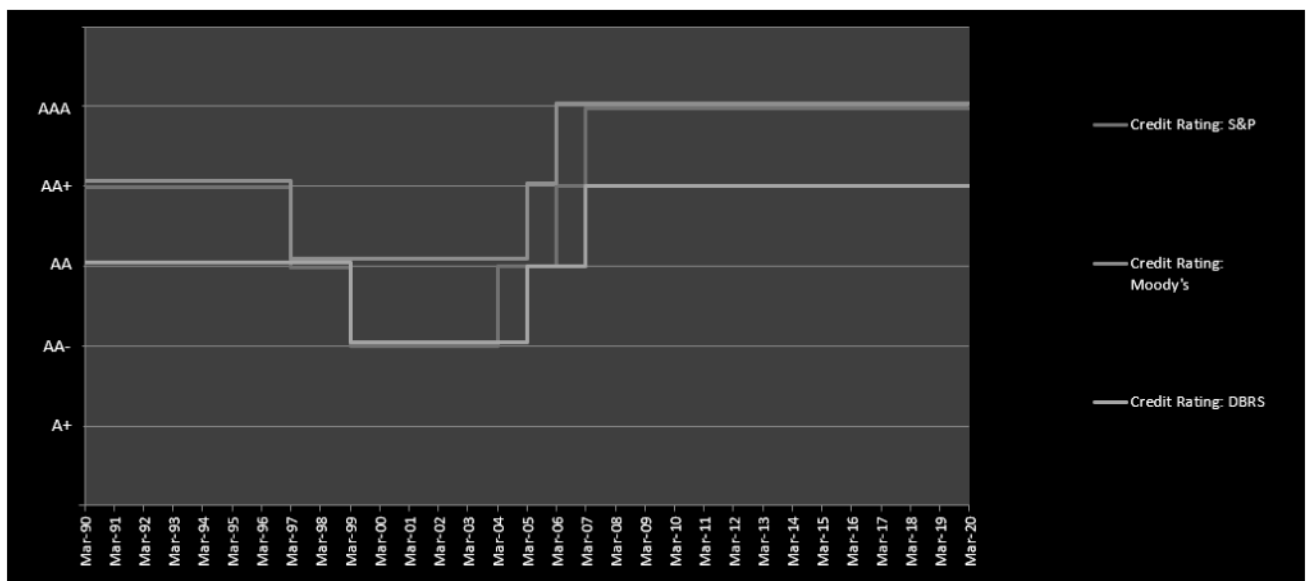


Table 12 illustrates how the province's ratings with the three credit rating agencies (Moody's/S&P and DBRS) have changed since 1990.

A credit rating is not a market valuation or investment advice. It is an assessment of credit risk and incorporates evaluation of historical data and performance, and future outlook. Rating action is often a lagging indicator and discounted by investors and bank underwriters who have already factored in good or poor performance in their pricing of an issuer's debt securities.

Factors which were cited by the rating agencies which explained the upgrades between 2004 and 2007 included:

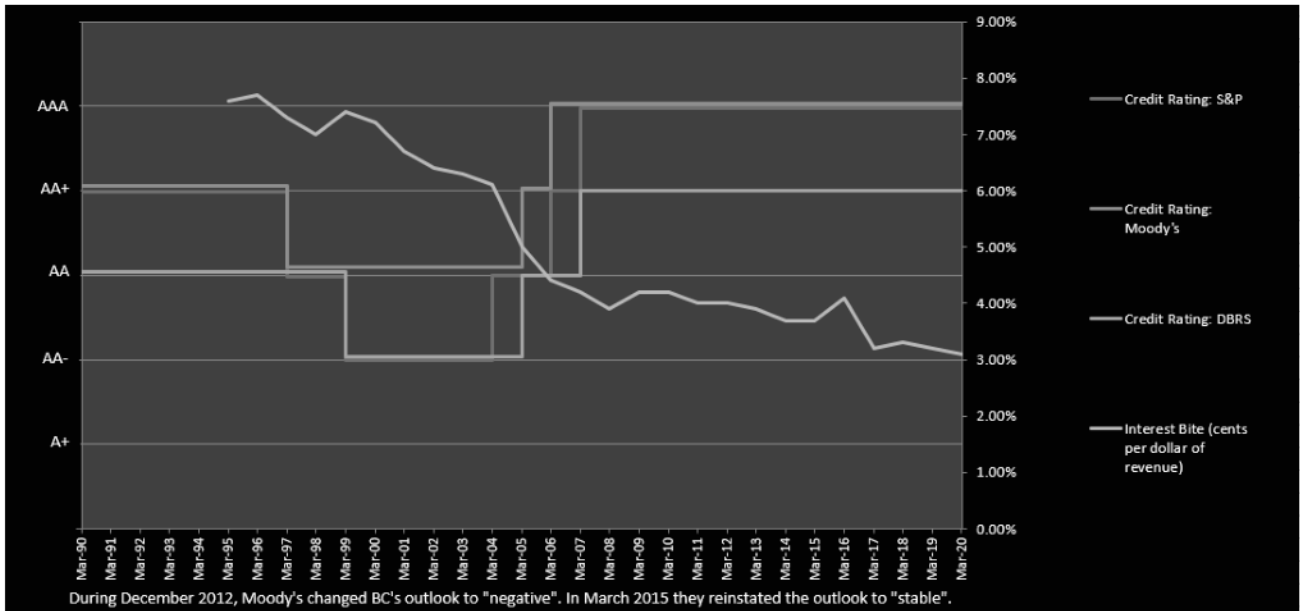
- Track record of surpluses and lower debt burden (larger result than expected)
- Expectations of future balanced budgets or surpluses
- Expectation of a decline in the debt burden
- Fiscal room to manoeuvre in case of unanticipated fiscal pressures
- Solid economic performance despite strong headwinds in some years
- Competitive provincial tax system
- Favourable assessment of economic forecasts
- Public sector pension plan governance
- Reporting transparency
- Successful management of infrastructure procurement
- Access to liquidity (egg. domestic and international investors)

Managing the province's credit rating agency relationships is an important function of the Ministry of Finance's mandate for sound fiscal management. Accordingly, the Ministry communicates clearly on material developments impacting the province's economic and fiscal management to avoid surprises and maintain a transparent and professional relationship with the rating agencies. The Ministry with support of the Minister of Finance provides detailed briefings following annual budgets and regular updates following all material public releases, e.g. Public Accounts and quarterly reports.

There is no single ratio or fiscal indicator which defines the province's credit rating. An appreciation of that can be gathered by the listing of factors which lead to a positive or negative rating action. Nonetheless, there are certain debt affordability and performance measures which have some correlation to rating action, usually on a lagged basis.

The following charts depict the major credit performance indicators followed by the agencies. They are self-explanatory and illustrate to varying degrees the province's upgrades in the mid-2000's. In each case the indicators were on an improving track and then deteriorated or flat-lined with the onset of the recession in 2008.

Table 13: Relationship Between Interest Bite (cents per dollar of revenue) & Credit Rating Adjustments



*In May 2020 S&P has revised B.C.'s rating outlook from 'stable' to 'negative' on potential fiscal weakening because of global changes and the effects of the COVID-19 pandemic.

Table 14: Relationship Between Tax-payer Supported Debt as a % of GDP & Credit Rating Adjustments

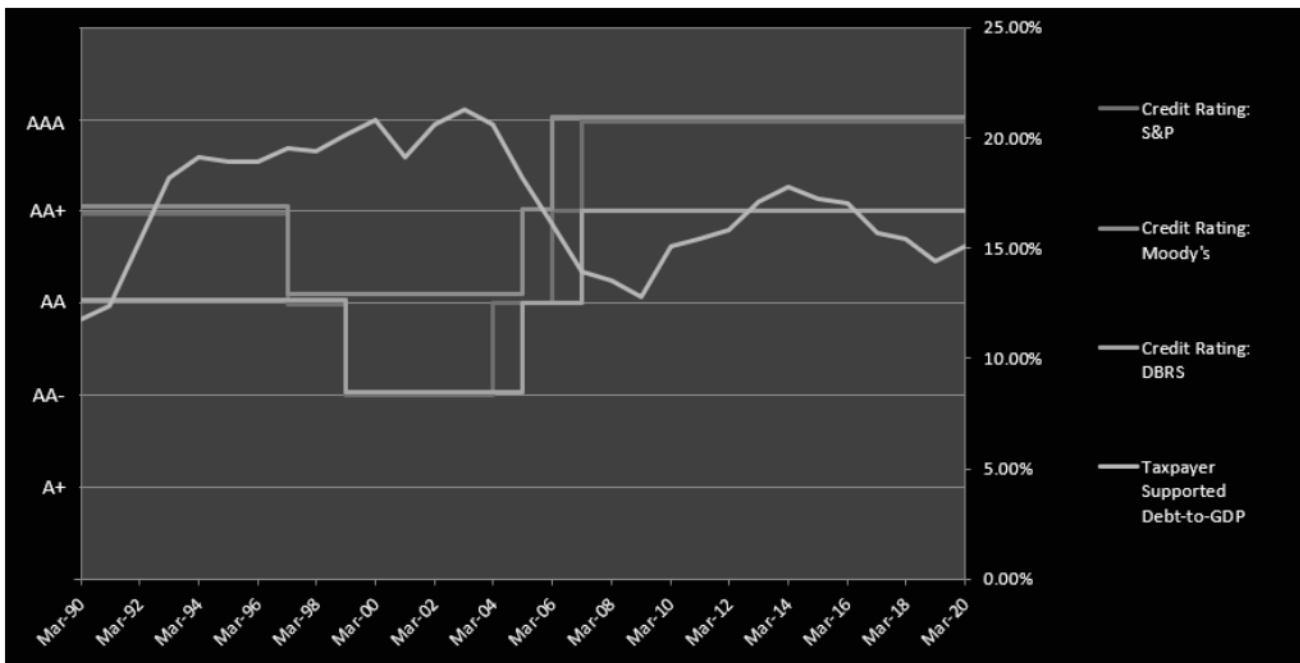


TABLE 15: Relationship Between Taxpayer Supported Debt as a % of Total Revenue & CREDIT RATING ADJUSTMENTS

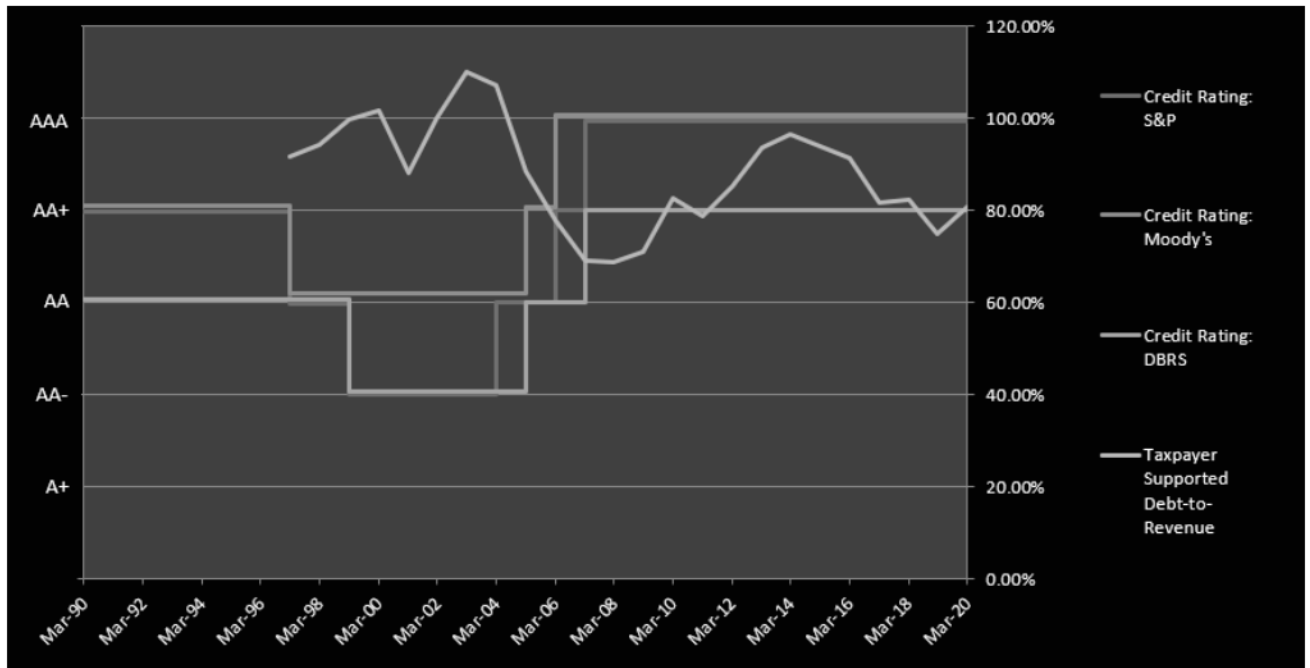
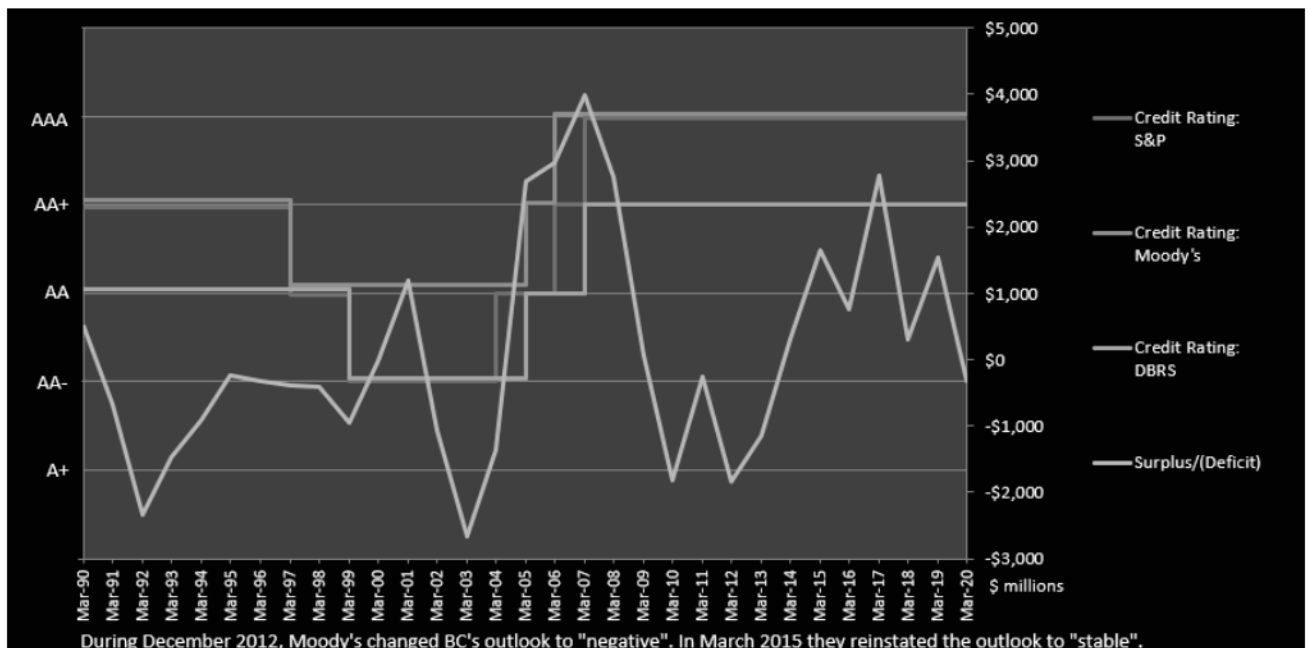


Table 16: Relationship Between Surplus (Deficit) & Credit Rating Adjustments



Advice/Recommendations

CREDIT RATING AGENCIES' ASSESSMENT OF THE PROVINCE

Following the February 2020 Budget and March 2020 COVID-19 Action Plan, DBRS published their credit report in April, Moody's and S&P in May and Fitch followed in July. While there was no change to the Province's credit rating, the outlook was revised from "stable" to "negative" by both S&P and Fitch. The Province conducted brief conference calls with Moody's, S&P and DBRS on September 10th to provide a general overview of the First Quarterly Report and no material concerns were raised.

Moody's, S&P and Fitch affirmed the province's triple-A rating and DBRS affirmed its rating on the province at AA (High). Agency reports are attached for reference. Currently, B.C. is the only province rated triple-A with all three international credit rating agencies (Moody's, S&P and Fitch). Maintaining a strong economy, disciplined fiscal management, and affordable debt-to-GDP and debt-to-revenue ratios are key to B.C.'s strong credit rating.

On July 30, 2020, Fitch affirmed the Provinces rating; however, the outlook was revised from "stable" to "negative". The change in outlook "reflects the possibility of the debt sustainability assessment falling into the 'a' category under Fitch's rating case." Fitch also cites that an "extended health crisis, slower economic and revenue rebound, higher spending needs and higher capital spending could delay recovery and lead to a higher debt burden and would likely lead to a downgrade."

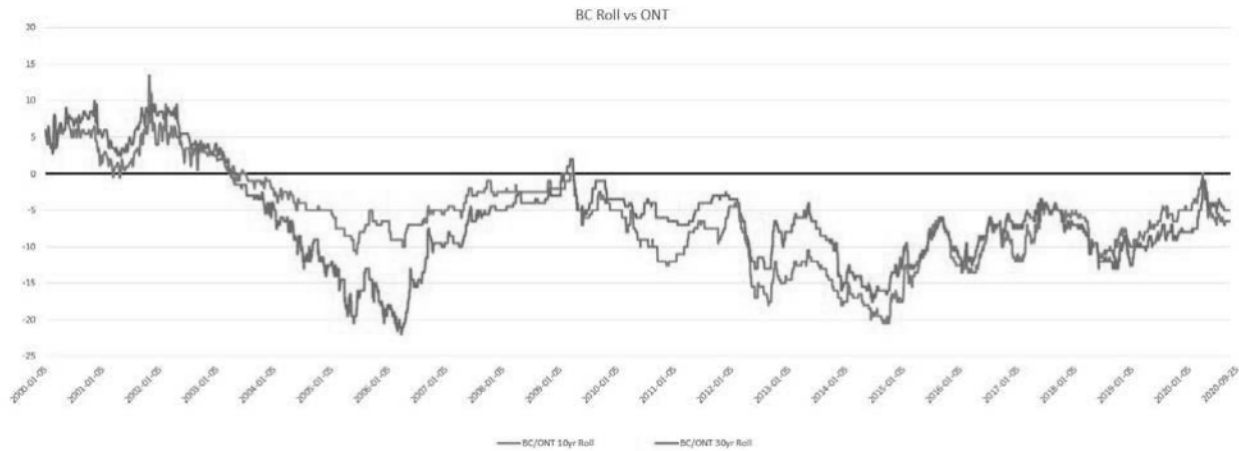
On July 20, 2020, Moody's published a commentary in response to the Province's July 14, 2020 release of its "Economic and Fiscal Scenario – Update 2020-2021, Technical Backgrounder". Moody's states, "The projected deficit is credit negative because it indicates broad sectoral weakness which would not only result in larger revenue losses than we previously assumed but could delay the province's efforts to return to balance quickly, resulting in multiple years of material deficits." And while Moody's does recognize the province has built in buffers within its \$5 billion spending allocation, and access to additional liquidity sources of about \$6 billion, Moody's now projects a net debt-to-revenue figure of around 105% – 125% for 2020-2023; sustained levels above 95% have been cited as credit concern by Moody's.

On May 14, 2020, S&P maintained the Province's credit rating at AAA; however, the outlook was revised from 'stable' to 'negative'. "The negative outlook reflects our view that B.C.'s fiscal strength, while likely to remain superior to that of other Canadian provinces, could deteriorate to a level no longer consistent with a 'AAA' rating within the next 12-24 months." During this period, S&P could "lower the rating by one notch if weak economic results or insufficient policy responses led us to believe that B.C. will continue to post notable after-capital deficits or rising debt-to-revenues beyond our two-year outlook horizon."

On April 21, 2020, DBRS confirmed the Province's credit rating of AA (high). DBRS stated that since the release of budget "...the fiscal and economic outlook have deteriorated significantly. The Province has yet to release a comprehensive economic and fiscal update, while private-sector economic forecasts have steadily fallen in recent weeks. Despite the deterioration, the Province's credit profile remains consistent with the AA (high) rating...". "This reflects the underlying strength and diversity of the Province's economy and disciplined fiscal policy and management practices...". A more fulsome annual credit review will be conducted by DBRS once the outlook due to COVID-19 has stabilized.

BC Borrowing Spreads vs. Ontario

British Columbia Bonds Spreads vs. Ontario 10 and 30 years



An important dividend paid on a strong credit rating and improving creditworthiness is lower borrowing costs which allows for investment in other government priorities. One way to track this is to compare how British Columbia's borrowing costs compare with Ontario which is the benchmark province in the domestic capital market.

In the early 2000's, BC borrowed domestic 10-year bond debt at a yield of about 9 basis points ('bps', and 9/100's of one percent) higher than Ontario domestic 10-year bond debt. Currently BC borrows about 5 bps lower. This favourable swing of 14 bps on the province's cost of borrowing on a current annual requirement of \$18.5 billion yields a relative improvement of \$25.9 million per year in debt service cost savings and \$259 million over an average borrowing term of 10 years.

The capital markets have recognized and rewarded the province for superior fiscal performance with recent balanced budgets alongside materially lower expected debt burden. In late-2012, BC 30-year bonds traded 15 bps above Alberta. Today BC 30-year bonds trade 31 bps lower than Alberta (an improvement of 46 bps).

Advice/Recommendations

APPENDIX A

Risk Committee Terms of Reference

Debt Management Branch (“DMB”)

- The mandate of the DMB is to manage the debt liabilities of the Province to be at the lowest long run cost without taking any undue risk.

Risk Committee (“Committee”)

- The Committee is a senior management committee that is comprised of:
 - Deputy Minister of Finance as the Chair; and
 - Five seats are assigned to external non-government affiliated finance professionals.

Of note, the Assistant Deputy Minister, Provincial Treasury, the Deputy Minister and Secretary of Treasury Board and members of the DMB are active participants.

- The role of the Committee is to:
 - Act as a senior advisor with respect to the Province’s liability management, policies and activities;
 - Monitor compliance and performance;
 - Recommend on risk appetite, policy, borrowing strategy and risk exposures;
 - The Chair of the Committee is the authority to approve risk parameters, debt management strategy, foreign currency exposures and unique market issuance.
- The Committee meets with senior staff from DMB and Treasury Board Staff on a quarterly basis, or as necessary.
- The purpose is to make recommendations and/or provide financial advice to the Deputy Minister of Finance regarding the financial risks of the DMB as they relate to the management of its liability portfolios, and including, but not limited to:
 - The annual Borrowing Strategy;
 - The risk management parameters of the debt portfolio;
 - Collateral management frameworks;
 - Advice on investment policies of the governments’ CRF funds / trust funds; and
 - Other risk exposure projects or ad hoc initiatives, as and when required.

Debt Management Strategy

- Early in the new calendar year, the DMB proposes its upcoming borrowing strategy for the new fiscal year to the Committee for information and review, and for approval by the Deputy Minister of Finance.
- The strategy is based on the estimated financing requirements for the upcoming fiscal year and the alignment between the general view of expectations for financial markets and DMB's debt portfolio objectives. The approved borrowing strategy is reviewed and amended as necessary at the quarterly Risk Committee meetings.
- DMB's liability management activities are based on operational transaction plans and strategic initiatives as approved by the Executive Director. The principal role of the Executive Director in this regard is to ensure that transaction plans are consistent with the broader strategy approved by the Deputy Minister of Finance, and comply with established risk parameters, as reviewed by the Committee.

Risk Variables

- In order to measure, monitor and report on risks associated with liability transactions, and to safeguard the integrity of the province's liability management operations, DMB is to manage programs and associated risks within prudent limits authorized by the Deputy Minister of Finance. In particular, the Committee advises on the following risk parameters:
 - Debt Portfolio Management Authority Matrix;
 - Term structure and maturity profile of outstanding and planned Debt;
 - Floating rate exposure;
 - Foreign currency exposure;
 - Liquidity risk; and
 - Counterparty credit exposures

Portfolio Management Information

- The provision of accurate and timely portfolio management information to the Committee serves to demonstrate compliance with risk policy, and to facilitate evaluation of the impact and the adequacy of liability management decisions. DMB reports to the Committee, as required, on portfolio management activity and performance, and portfolio status as demonstrated with the use of authorized risk parameters and authority matrix.

APPENDIX

RISK POLICY SUMMARY

Category	Policies, Guidelines & Programs
Market Risk	<ul style="list-style-type: none"> i. <u>Floating Rate Exposure</u> (10-45% of total net debt can be subject to repricing within one year) ii. <u>Term Structure of Debt</u> (Direct debt duration guideline between 3.5-7yrs) iii. <u>Foreign Currency Exposure</u> (limited up to 10%)
Credit Risk	<ul style="list-style-type: none"> i. <u>Exposure and Term Limits, Break Clauses</u> (if no CSA) ii. <u>CSAs</u> (Collateral agreements with counterparties), <u>Rating Triggers</u>
Liquidity Risk	<ul style="list-style-type: none"> i. <u>Maturity Profile Restrictions</u> (Total maturities net of sinking funds capped at \$9.0 billion for any given year) ii. <u>Warehousing Program</u> (Pre-funding) iii. <u>USD Matched Financing</u>
Strategy and Governance	<ul style="list-style-type: none"> i. <u>Signing Authority Matrix</u> (attached below) ii. <u>Matched Book Program</u> (limited to \$2 billion, positive carry requirements, investments rated A1/A+ and higher)
Settlement & Operational Risk	<ul style="list-style-type: none"> i. Segregation of duties, signing authorities, standard procedures, internal and external audits

Derivative Counterparty Credit Risk

The maximum allowable mark-to-market value of swaps outstanding is based on the credit rating of the counterparty, and must not exceed the limits listed below:

Credit Rating	Swap Transactions: Canadian Schedule A Banks			Government Financial Information	Event of Split Rating
	Up to 5-yrs	Up to a Maximum of 12-yrs	Over 12-yrs		
AAA/Aaa	✓ Yes	✓ Yes	✓ Yes		Lowest
AA+/Aa1	✓ Yes	✓ Yes	✓ Yes		Lowest
AA/Aa2	✓ Yes	✓ Yes	✓ Yes		Lowest
AA-/Aa3	✓ Yes	✓ Yes	✓ Yes		Lowest
A+/A1	✓ Yes	✓ Yes	x No		Lowest

Credit Rating	Swap Transactions: International Banks			Government Financial Information	Event of Split Rating
	Up to 5-yrs	Up to a Maximum of 12-yrs	Over 12-yrs		
AAA/Aaa	✓ Yes	✓ Yes	✓ Yes		Lowest
AA+/Aa1	✓ Yes	✓ Yes	✓ Yes		Lowest
AA/Aa2	✓ Yes	✓ Yes	✓ Yes		Lowest
AA-/Aa3	✓ Yes	✓ Yes	x No		Lowest
A+/A1	✓ Yes	x No	x No		Lowest

Please Note:

- Derivative transactions with terms longer than 12 years must also have in place a credit mitigation technique, such as an early termination provision.
- Exposures and term limits are adjusted for those counterparties with Credit Support Annexes in place.

Matched Book Program

The Financial Administration Act permits the province to borrow and invest the proceeds to generate profit. The province has managed a fairly active matched-book program over the past 15 years . Debt incurred under the program is fully netted against the investments.

Government Financial Information

Authority Matrix

The authority matrix specifies the authority required for setting parameters and for entering into financing transactions.

Item	Authorization
Risk Parameters	Deputy Minister
Annual Debt Management Strategy	Deputy Minister
Unique debt issues (Panda, INR, etc.)	Deputy Minister
Unhedged foreign currency	Deputy Minister
Syndicate evaluations	Executive Director, DMB
Hedged foreign currency	ADM, or <\$100M – Executive Director
Domestic Debt issuance	ADM, or <\$100M – Executive Director
Swaps and Derivatives	ADM, or <\$100M notional – Executive Director
Matched book transactions	ADM, or <\$100M – Executive Director

Research Update:

Province of British Columbia Outlook Revised To Negative From Stable On Potential Fiscal Weakening

May 14, 2020

Overview

- Despite the Province of British Columbia (B.C.) entering fiscal 2021 in a position of economic and fiscal strength, the COVID-19 pandemic will turn GDP and operating revenue growth rates negative in fiscal 2021 B.C. and result in operating and after-capital deficits and rising debt burdens in the fiscal 2021-2023 period.
- Accordingly, we are revising the outlook to negative from stable and affirming our 'AAA' ratings on B.C., including our long-term issuer credit rating.
- The negative outlook reflects our view the COVID-19-related economic disruption could cause B.C.'s fiscal strength to weaken to a level no longer consistent with a 'AAA' rating over the next 12-24 months.

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Rating Action

On May 14, 2020, S&P Global Ratings revised its outlook on the Province of British Columbia (B.C.) to negative from stable. At the same time, S&P Global Ratings affirmed its ratings, including its 'AAA' long-term issuer credit rating, on the province, as well as its 'AAA' issue-level rating on British Columbia Hydro & Power Authority's (BC Hydro) provincially guaranteed senior unsecured debt.

Outlook

The negative outlook reflects our view that B.C.'s fiscal strength, while likely to remain superior to that of other Canadian provinces, could deteriorate to a level no longer consistent with a 'AAA' rating within the next 12-24 months. We will look to B.C.'s future fiscal and economic updates to gain more clarity regarding how its finances will evolve in the near-to-medium term. We could lower the rating by one notch if weak economic results or insufficient policy responses led us to believe that B.C. will continue to post notable after-capital deficits or rising debt-to-revenues beyond our two-year outlook horizon.

Conversely, we could revise the outlook to stable in the next two years if we foresaw a strong

economic recovery, along with moves toward fiscal consolidation, leading to near-balanced after-capital results, coupled with a stable or declining debt burden.

Rationale

The arrival of the COVID-19 pandemic in Canada is compressing provincial economies and undoing their fiscal gains of the past decade. We expect that social distancing will continue to curtail activity across all sectors of the B.C. economy for the first half of 2020 and raise unemployment to levels not seen in decades. Although there is a high degree of uncertainty about the duration of the coronavirus outbreak, S&P Global Economics' current baseline assumption is that the pandemic will cause Canada's real GDP to contract by over 11% peak to trough, with output falling 6.3% (annualized) in the first quarter and 34% in the second quarter (for more information see "COVID-19 Causes More Severe Disruption for Canada's Economy," published April 17, 2020). We expect Canada's real GDP will fall at least 5% in 2020, followed by a solid recovery in 2021. Full recovery will not occur before the third quarter of next year. We expect the province's economy to broadly track this trajectory.

As a result, we expect the province's budgetary balances and debt burden will weaken. We view the arrival of the pandemic in B.C. primarily as a revenue event. As we do for other provinces, we expect the province's health care spending will increase as the government contains the spread of the coronavirus and treats those requiring hospitalization, but there will be partial offsets as the Ministry of Health postpones many of the normal activities of its health care facilities. We expect the federal government will supply most of the fiscal response measures aimed at supporting the national economy during the pandemic, through its Canada Emergency Response Benefit, income tax deferrals, targeted spending, and tax credits, as well as temporary loans to businesses. B.C. is also providing significant additional support to individuals and businesses, enhancing the federal response and including those not benefitting from federal programs.

There remains a great deal of uncertainty regarding the trajectory of the pandemic and its near- and medium-term effect on B.C.'s economy and finances. According to our preliminary base-case estimates, we believe the province's operating deficit could reach approximately 9% of operating revenues in fiscal 2021 (year ended March 31) and steadily improve to an operating surplus of 2% of operating revenues by fiscal 2023. Similarly, according to our preliminary base-case estimates, the province's after-capital deficits could reach approximately 20% of total revenues in fiscal 2021, improving to 9% over the next two years. Although we have limited visibility regarding the timing and shape of B.C.'s full fiscal recovery, we believe it will depend on the length and depth of the pandemic, including potential secondary and tertiary outbreaks, the efficacy of government support policies aimed at preserving productive capacity, and the pace at which fiscal support is gradually withdrawn post-pandemic.

GDP growth will decline sharply in 2020, rebounding in 2021, but substantial

uncertainty exists.

We believe B.C.'s economy will contract with the arrival of the pandemic and social distancing. It is still too early to tell which Canadian provinces will ultimately experience the worst fallout from the pandemic, although to date B.C. has recorded proportionately fewer cases than many other provinces. For now, we assume the province's economic growth will broadly track the Canadian level, with real GDP declining by an estimated 5% in 2020, before staging a strong recovery of about 6% in 2021.

Despite the downturn, we expect the province will retain its considerable economic strengths. B.C. will remain wealthy, with high GDP per capita estimated at about \$42,000 for 2020. The provincial economy should also remain well diversified. Large resource endowments, high-ranking livability, and close proximity to Asian markets should continue to underpin B.C.'s affluent tax base. Key sectors include forestry, mining, and natural gas; financial and real estate services; construction and manufacturing; and a large public sector. The liquefied natural gas (LNG) sector continues to develop work continues on the C\$40 billion LNG Canada project, which will bring B.C.'s natural gas to Asian markets.

We also expect B.C.'s financial management practices will remain very strong. The government customarily incorporates robust contingencies in its fiscal plans. Although the contingencies embedded in the 2020 budget may not be sufficient because the budget was formulated before the impact of the pandemic was fully understood, those contingencies will still be an effective buffer against some of the revenue shortfall. The civil service remains experienced and qualified to effectively deliver fiscal policies. We believe that the province has well-defined financial policies and a well-documented financial plan that provides visibility. We also believe that management of debt and liquidity is prudent.

The ratings also benefit from the very predictable and well-balanced institutional framework for Canadian provinces. The Canadian constitution is the cornerstone of federal-provincial intergovernmental arrangements, which we view as mature and stable. The federal government provides revenue support through a number of agreements and transfer arrangements, including the Canada Health Transfer and Canada Social Transfer payments. For fiscal 2020 (year ended March 31), total federal government transfers constituted about 16% of provincial operating revenues.

We expect the pandemic will erode operating revenues, leading to sharply elevated operating and after-capital deficits in fiscal 2021 that should improve substantially in fiscal years 2022 and 2023.

We expect lower nominal GDP will turn operating revenue growth negative in fiscal 2021. We also expect operating expenditures will increase moderately relative to the province's budget earlier this year as the government responds to the pandemic with support for individuals and businesses. We forecast an operating deficit of about 9% of operating revenues in fiscal 2021 and an after-capital deficit of about 20% of total revenues. Fiscal results will strengthen with the recovery. Our view of the province's strong fiscal flexibility bolsters our budgetary performance assessment, although the extent of the government's flexibility will be put to the test as it mitigates the effect of the pandemic on the populace, economy, and its fiscal situation.

We assume the province's debt will only rise moderately. The federal government is shouldering much of the heavy lifting in response to the pandemic. We expect tax-supported debt (including debt issued in the province's name and on-lent to BC Hydro) could increase to approximately 150% of operating revenues by the end of fiscal 2021 and only increase modestly thereafter, reaching close to 155% of operating revenue by the end

of fiscal 2023. We expect any increase in interest expense to be modest and the burden will remain moderate, at about 5% of operating revenue in the next two years.

In addition, we do not expect that BC Hydro, as a regulated utility, would require provincial support to meet its financial obligations. We estimate that, net of on-lent debt to BC Hydro, the province's debt burden will rise modestly to about 112% of operating revenues by the end of fiscal 2023, from 107% in fiscal 2021, which bolsters our assessment of the province's debt burden.

In addition, we expect BC's liquidity will remain a source of credit strength. According to our preliminary estimates, the debt service coverage ratio could decline temporarily in fiscal 2021 to just below 80% of the next 12 months' debt service, but we expect it will recover substantially in fiscal 2022. B.C. also benefits from strong access to external liquidity. In addition to issuing in the domestic market, the province maintains liquid benchmark issues in Canada, and has active borrowing programs in the U.S., Europe, and China, providing important diversification. B.C. uses swaps to mitigate currency risk on its foreign currency bond issues and targets minimal exposure to floating rate risk.

The ratings on B.C. continue to reflect its historical outperformance versus peers in many respects. While its debt burden is fairly high, and is set to rise substantially, B.C.'s pension obligations are almost fully funded, in contrast to those of many international peers. Moreover, the province has robust access to liquidity, with debt programs in several different jurisdictions. The pandemic notwithstanding, the province's economy has been a perennial outperformer domestically, with prospects that are better than those of most peers. Our economic and fiscal projections do not fully incorporate the medium-term upside potential of LNG projects underway, such as the LNG Canada project.

Environmental, social, and governance (ESG) factors relevant to the rating action:

- Health and Safety

Key Statistics

Table 1

Province of British Columbia -- Selected Indicators

	--Budget Year*--					
(Mil. C\$)	2017	2018	2019bc	2020bc	2021bc	2022bc
Operating revenues	53,586	57,643	58,028	55,900	60,400	62,900
Operating expenditures	49,456	53,226	56,618	60,900	60,900	61,600
Operating balance	4,130	4,417	1,410	(5,000)	(500)	1,300
Operating balance (% of operating revenues)	7.7	7.7	2.4	(8.9)	(0.8)	2.1
Capital revenues	100	118	122	136	147	153
Capital expenditures	4,164	4,732	5,567	6,371	6,534	7,365
Balance after capital accounts	66	(197)	(4,035)	(11,235)	(6,887)	(5,912)
Balance after capital accounts (% of total)	0.1	(0.3)	(6.9)	(20.0)	(11.4)	(9.4)

revenues)						
Debt repaid	4,687	6,133	5,747	6,843	6,385	6,685
Gross borrowings	4,274	9,873	9,782	18,078	13,272	12,597
Balance after borrowings	(347)	3,543	(0)	(0)	0	(0)
Direct debt (outstanding at year-end)	61,922	62,939	70,176	81,411	88,298	94,210
Direct debt (% of operating revenues)	115.6	109.2	120.9	145.6	146.2	149.8

Table 1

Province of British Columbia -- Selected Indicators (cont.)

--Budget Year*--

(Mil. C\$)	2017	2018	2019bc	2020bc	2021bc	2022bc
Tax-supported debt (outstanding at year-end)	64,064	65,665	72,878	84,081	90,961	96,808
Tax-supported debt (% of consolidated operating revenues)	119.6	113.9	125.6	150.4	150.6	153.9
Interest (% of operating revenues)	4.9	4.7	4.6	5.0	4.8	4.8
Local GDP per capita (single units)	57,401	59,068	60,397	57,218	61,012	62,756
National GDP per capita (single units)	58,591	60,011	61,290	58,634	62,727	64,658

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. N/A--Not applicable. N.A.--Not available. N.M.--Not meaningful. *Budget year 2020 equals fiscal year 2021.

Ratings Score Snapshot

Table 2

Province of British Columbia -- Ratings Score Snapshot

Key rating factors	Scores
Institutional framework	2
Economy	1
Financial management	1
Budgetary performance	2
Liquidity	1

Debt burden	3
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Stand-alone credit profile	aaa
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Issuer credit rating	AAA
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S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the "Methodology For Rating Local And Regional Governments Outside Of The U.S.," published on July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

Key Sovereign Statistics

- Sovereign Risk Indicators, Dec. 12, 2019. Interactive version available at <http://www.spratings.com/sri>

Related Criteria

- Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S., July 15, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Guidance: Methodology For Rating Local And Regional Governments Outside Of The U.S., July 15, 2019
- Institutional Framework Assessments For International Local And Regional Governments, July 4, 2019
- Public Finance System: Canadian Provinces, May 12, 2020

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria and Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria and Research').

Ratings List

Ratings Affirmed

British Columbia (Province of)

Senior Unsecured	AAA
Commercial Paper	A-1(HIGH)

Commercial Paper	A-1+
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CREDIT OPINION

15 May 2020

Update

 Rate this Research

RATINGS
British Columbia, Province of

Domestic	British Columbia, Canada
Long Term Rating	Aaa
Type	LT Issuer Rating
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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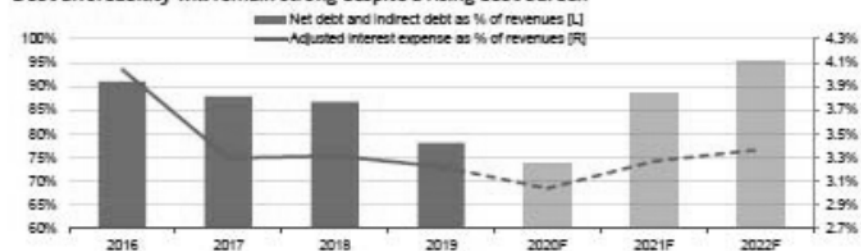
EMEA 44-20-7772-5454

Province of British Columbia (Canada)

Update to credit analysis

Summary

The credit profile of the Province of British Columbia (Aaa stable) reflects a large and diverse economy, very strong fiscal management and a high degree of fiscal flexibility. Despite sizeable capital spending which keeps the debt burden elevated, the extended low interest rate environment helps maintain strong debt affordability. A long history of balanced fiscal results and accumulated surpluses allows the province to weather some of the near-term economic and fiscal pressures stemming from the current coronavirus pandemic. We expect that the pandemic will result in higher debt burden and modest consolidated deficits in 2020/21 and 2021/22, but will not have material long-term credit implications.

Exhibit 1
Debt affordability will remain strong despite a rising debt burden


All forecasts are Moody's

Source: Moody's Investors Service, Province of British Columbia public accounts

Credit strengths

- » Diversified economic base and competitive tax environment
- » Considerable fiscal policy flexibility from institutional framework
- » Prudent fiscal, debt and liquidity management

Credit challenges

- » Coronavirus pandemic will weigh on near-term fiscal results and debt burden
- » Large contingent liability from debt of BC Hydro

Rating outlook

The outlook is stable, reflecting our assumption that the province has sufficient liquidity and fiscal flexibility to address the near-term pressures of the coronavirus pandemic without material long-term credit implications.

Factors that could lead to a downgrade

The province's credit rating could face downward pressure if net direct and indirect debt were to exceed 100% of revenue across multiple years, coinciding with a loss in the financial management of the province, as evidenced by a return to operating deficits. A faster than forecasted rise in interest rates or a weakening in BC Hydro's financial metrics beyond our current assumptions could also add pressure to the rating.

Key Indicators

Exhibit 2
Province of British Columbia

(Year Ending 3/31)	2016	2017	2018	2018	2020F	2021F	2022F
Net Direct and Indirect Debt as a % of Revenue	86.8	78.2	81.5	71.9	73.5	88.6	95.4
Cash Financing Surplus (Requirement) as a % of Revenue	(1.1)	3.1	1.3	1.0	(0.4)	(3.2)	(2.8)
Consolidated Surplus (Deficit) as a % of Revenue	1.7	5.4	0.6	2.7	0.3	(5.9)	(3.0)
Adjusted Interest Expense as a % of Revenues	4.0	3.3	3.3	3.2	3.0	3.3	3.4
Intergovernmental Transfers as a % of Revenue	16.1	15.9	17.4	15.8	15.9	17.2	16.7

All forecasts are Moody's
Source: Moody's Investors Service, Province of British Columbia

Detailed credit considerations

Baseline credit assessment

The credit profile of the Province of British Columbia, as expressed in its Aaa stable rating, combines a baseline credit assessment (BCA) for the province of aaa, and a high likelihood of extraordinary support coming from the [Government of Canada](#) (Aaa stable) in the event that the province faced acute liquidity stress.

Diversified economic base and competitive tax environment

British Columbia is the third largest Canadian province by population and fourth largest provincial economy, accounting for about 13% of Canada's GDP. Located on Canada's western coast, British Columbia remains an important hub for goods shipped to and from Asia, and as a result the export markets of British Columbia are more diversified than Canada and other provinces. While Canada typically sees over three-quarters of exports flow to the US, the US accounts for only around half of British Columbia's exports. Other key markets include China and Japan and several other countries in the Asia-Pacific region. Although the dominance of China in the province's Asian exports exposes it to some concentration risk, the wide diversification of sectors and markets reduces the vulnerability of the provincial economy from sector-specific or trading partner-specific shocks.

The economy provides for a large tax base ensures that provincial revenues are not strongly impacted by a decline in one particular sector. Furthermore, British Columbia's level of taxation is at the lower end of the Canadian provinces, presenting the province the flexibility to raise taxes if revenues were to fall below expected levels while still remaining competitive with other jurisdictions.

Economic diversification is underpinned by several large industries including real estate (including rental and leasing), wholesale and retail trade, and construction. The province also has an important natural resource sector, primarily natural gas and forestry products. A CAD40 billion investment in the province by LNG Canada, a consortium of international energy companies, including new pipeline and liquefaction plant construction projects will provide support to the natural gas industry.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Leading up to the coronavirus outbreak, British Columbia's economy outpaced the growth of most Canadian provinces, with real GDP growth between 2% and 4% over the last four years. The strong historical economic growth positions the province to more easily weather fiscal shocks than the majority of its provincial peers. As a result, although the province will face an economic contraction in 2020, we expect that the decline will be more muted than our forecast of a 6.1% real GDP decline nationally in 2020. Further, we expect a strong rebound in 2021 as containment measures ease.

The province's unemployment rate, which was close to 5% in 2019, will remain low relative to other Canadian provinces despite our forecast of higher unemployment for all provinces in 2020 as a result of coronavirus-related economic slowdown.

Considerable fiscal policy flexibility from institutional framework

British Columbia, like all Canadian provinces, enjoys significant flexibility in its financial management. The institutional framework governing relations, powers and responsibilities between the Canadian provinces and the federal government is well developed and stable. This framework provides provinces with unfettered access to a broad range of tax bases and wide discretion over expenditure decisions, allowing provinces substantial flexibility to address fiscal challenges.

Compared to their counterparts in other countries, including the German Länder and the Australian states, Canadian provinces enjoy far greater fiscal and budgetary autonomy. As a result, British Columbia benefits from a high degree of fiscal policy flexibility that is more similar to sovereign governments than many international sub-sovereign peers. These positive institutional factors increase the province's ability to manage through economic downturns and handle higher debt burdens.

The institutional framework also includes important federal fiscal transfers to the province, including health and social transfers. These transfers are highly predictable and secure and are therefore largely unaffected by economic changes. They will account for 17% of Moody's-adjusted revenues in 2020/21 and will provide a degree of stability in an environment of heightened economic uncertainty.

Prudent fiscal, debt and liquidity management

The province's forward-looking fiscal analysis incorporates several measures of prudence to minimize the impacts of potential downward pressures, including using economic forecasts that are below private sector consensus forecasts, a practice that provides greater flexibility to accommodate potential negative economic shocks. Additional forecasting safeguards include incorporating forecast allowances and contingencies into its budgets to protect against potential volatility to fiscal projections and to incorporate amounts for unexpected expenditure pressures.

The province follows prudent debt management, including efforts to minimize the rise of its debt-to-GDP ratio and therefore minimize its interest burden. Debt maturities are well staggered and debt issues are hedged for interest rate and currency risk. The province may also pre-borrow a portion of its debt issues in a given year to take advantage of favourable interest rates. Capital market access remains strong, despite some stress in the early weeks of the coronavirus pandemic in March 2020. The province also maintains strong levels of liquidity from cash and investments, which measured nearly 14% of net direct and indirect debt and 10% of expenses at March 31, 2020. We expect that the province may build up its cash reserves in 2020/21 to provide a liquidity cushion for fiscal uncertainties.

The province has also successfully introduced recent reforms at the Insurance Corporation of British Columbia (ICBC, a wholly-owned Crown corporation), which include caps on insurance minor injury claim amounts and moving from a court to a tribunal review for minor injury claim disputes to improve losses driven by higher injury claim costs and higher crash rates.

Coronavirus pandemic will weigh on near-term fiscal results and debt burden

The coronavirus pandemic will result in materially weaker 2020/21 fiscal results compared to the province's budget forecast released in February 2020. Relative to the province's budget forecast of a small surplus for 2020/21 and 2021/22 (0.3-0.4% of revenue), we now expect modest consolidated deficits between 3% and 7% of revenue. The forecast for weaker results is driven by our assumption of lower than budgeted tax, natural resource and crown corporation revenue coupled with higher coronavirus-related healthcare and social spending. While we expect these impacts to be temporary, the uncertainty around the severity of the outbreak could lead to changes in these assumptions.

At the same time, we expect that the debt levels will remain elevated as debt is necessary to provide liquidity support, finance the projected deficit in 2020/21 and support the province's capital spending. In contrast to our pre-coronavirus forecast of the debt burden (net direct and indirect debt to revenue) of a band of 80-90% between 2020-2023, we now project a debt burden of around 90-100% during this period, with the increase due to both the elevated debt levels and lower revenues. Nevertheless, an extended period of low interest rates helps maintain strong debt affordability.

We base our capital spending estimates on the province's February 2020 budget which projected capital spending requirements of nearly CAD33 billion for 2020-2023 supporting a range of renewal and new capital infrastructure expenses, including spending on health, education and transportation projects, as well as hydroelectric projects. New borrowing will finance a significant component of the capital spending plans, although we expect that there could be some slippage in borrowing requirements as some businesses pull back on spending and the province could re-prioritize a component of the capital spending to future years.

Large contingent liability from rising debt of BC Hydro

The province issues debt on behalf of British Columbia Hydro & Power Authority (Aaa stable) (BC Hydro), the wholly-owned electric utility company of British Columbia. While BC Hydro generates a steady revenue stream with sufficient cash flow to support operations, its total reported debt has risen considerably over the last decade, increasing from CAD9.2 billion in 2008/09 to an estimated CAD23.6 billion in 2019/20. Its debt is further expected to rise as the utility moves forward with the construction of the Site C hydroelectric dam with a budgeted cost of CAD10.7 billion.

The province has gradually phased out the level of dividends it requires BC Hydro to pay (reducing by CAD100 million each year starting in 2017/18, with no dividends starting in 2019/20 until the debt to equity ratio improves to 60:40), and therefore the utility will be in a better position to reinvest its net income into its own operations and capital projects.

BC Hydro has low rates relative to its peers, giving it the flexibility to increase revenues through rate increases (if approved by the regulator) to continue to support its operations and debt obligations. However, some of the utility's financial metrics are among the weakest of Canadian provincial utilities and the use of largely debt financed regulatory asset accounts puts pressure on the balance sheet. Should BC Hydro's financial position deteriorate, the possibility that it would require some support from the province will increase.

Extraordinary support considerations

While British Columbia's baseline credit assessment of aaa already places the province in the Aaa rating bracket, Moody's also considers the likelihood of extraordinary support coming from the Government of Canada to prevent a default by the province, should this extreme situation ever occur. The high likelihood of support reflects Moody's assessment of the federal government's incentive to minimize the risk of potential disruptions to capital markets if British Columbia or any province were to default. It also indicates a moderately positive federal government policy stance as illustrated by the flexibility inherent in the system of federal-provincial transfers.

ESG considerations

How environmental, social and governance risks inform our credit analysis of British Columbia

We take into account the impact of environmental (E), social (S) and governance (G) factors when assessing sub-sovereign issuers' economic and financial strength. In the case of British Columbia, the materiality of ESG to the credit profile is as follows:

Exposure to environmental risks is low for British Columbia's credit profile. Although the province is susceptible to natural disasters such as floods, severe weather and wildfires that could result in mitigation expenses and economic losses, the province manages these risks prudently and the amounts do not result in significant pressure on the province's fiscal profile.

Exposure to social risks is moderate. We regard the coronavirus outbreak as a social risk, given the substantial implications for public health and safety. The uncertainty regarding the outbreak's breadth and severity adds to downward risk on fiscal outcomes. Additionally, the province faces social risks stemming from its responsibility to provide services in such sectors as healthcare, transportation related infrastructure, public safety and education.

Governance considerations are important, but the risk to the credit profile is low. British Columbia displays very strong governance attributes. These include the use of forward-looking plans and analysis, transparent and timely financial statements, and prudent debt and liquidity management as highlighted in our analysis above.

Further details are provided in the "Detailed credit considerations" section above. Our approach to ESG is explained in our cross-sector methodology '[General Principles for Assessing Environmental, Social and Governance Risks](#)'.

Rating methodology and scorecard factors

In the case of British Columbia, the scorecard-indicated outcome of aa1 is close to the aaa BCA assigned by the rating committee. The scorecard-indicated outcome reflects (1) an idiosyncratic risk of 3 (presented below) on a 1 to 9 scale, where 1 represents the strongest relative credit quality and 9 the weakest; and (2) a systemic risk of Aaa, as reflected in the sovereign bond rating of the Government of Canada.

For details of our rating approach, please refer to [Rating Methodology: Regional and Local Governments](#), 16 January 2018

Exhibit 3

Province of British Columbia

Baseline Credit Assessment	Score	Value	Sub-factor Weighting	Sub-factor Total	Factor Weighting	Total
Scorecard						
Factor 1: Economic Fundamentals						
Economic strength	5	98.06	70%	3.8	20%	0.76
Economic volatility	1		30%			
Factor 2: Institutional Framework						
Legislative background	1		50%	1	20%	0.20
Financial flexibility	1		50%			
Factor 3: Financial Performance and Debt Profile						
Gross operating balance / operating revenues (%)	3	6.64	12.5%	3.25	30%	0.98
Interest payments / operating revenues (%)	5	3.24	12.5%			
Liquidity	1		25%			
Net direct and indirect debt / operating revenues (%)	5	71.90	25%			
Short-term direct debt / total direct debt (%)	3	13.70	25%			
Factor 4: Governance and Management - MAX						
Risk controls and financial management	1			1	30%	0.30
Investment and debt management	1					
Transparency and disclosure	1					
Idiosyncratic Risk Assessment						2.24(2)
Systemic Risk Assessment						Aaa
Suggested BCA						aa1

Source: Moody's Investors Service

Ratings

Exhibit 4

Category	Moody's Rating
BRITISH COLUMBIA, PROVINCE OF	
Outlook	Stable
Issuer Rating	Aaa
Senior Unsecured	Aaa
Commercial Paper	P-1
Other Short Term	(P)P-1

Source: Moody's Investors Service

SOVEREIGN

 ISSUER COMMENT
 20 July 2020

✓ Rate this Research

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Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

Province of British Columbia (Canada)

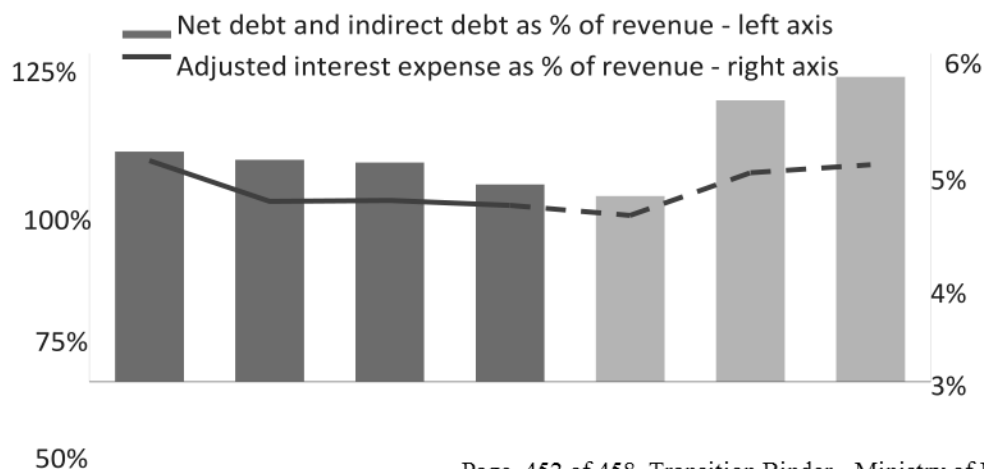
British Columbia projects broader sectoral weakness in 2020-21 resulting in higher deficit and debt

On 14 July, the Province of British Columbia (Aaa stable) released its economic and fiscal update for the current year, fiscal 2020-21, ending 31 March 2021. In its update, the province indicates a potential CAD12.5 billion deficit, or 23.1% of revenue. The province's scenario, which we consider to be its base case, features coronavirus-related fiscal deterioration including lower tax, commodity, Crown and agency income, as well as tax and relief measures and higher spending for pandemic response and economic recovery. In its scenario, the province projects that real GDP could decline by 6.8% this year before a 3.1% recovery in 2021. The projected deficit is credit negative because it indicates broad sectoral weakness which would not only result in larger revenue losses than we previously assumed, but could delay the province's efforts to return to balance quickly, resulting in multiple years of material deficits.

Further, the province's deficit projection under its base-case scenario materially exceeds our previous deficit estimate of around CAD3.4 billion (5.9% of revenue) for fiscal 2020-21. If its scenario materializes, we project continued deficits in fiscal 2021-23 of 3%-7% of revenue and expect BC to finance its future operating deficits with debt. Therefore, we project a debt burden (net debt to revenue) of around 105%-125% for 2020-23, versus our previous May estimate of 90%-100% (see exhibit).

Exhibit 1

British Columbia's increased debt burden is credit negative, but low interest rates ease the interest burden (fiscal years ending March 31)





Sources: Province of British Columbia and Moody's Investors Service



The province's base-case scenario is based primarily on March-May 2020 data and despite the larger than anticipated revenue losses has significant built-in buffers under its CAD5 billion spending allocation, which includes spending buffers for health and mental health and emergency benefits for workers and for economic recovery. The allocations ensure that the province retains some fiscal flexibility should the recovery be slower than anticipated. In addition, the province has access to nearly CAD6 billion in liquidity sources that it can use to reduce its reliance on debt financing the operating deficits. Debt affordability remains strong given comparatively lower debt levels than the majority of Canadian provincial peers. Affordability is supported by lower-for-longer interest rates and recent Bank of Canada policy actions including successive benchmark rate cuts and provincial bond and money market purchases. On 16 July, the federal government also announced a CAD2 billion support for the province to help restart the economy.

In addition to its main economic and fiscal scenario, the province presented two alternative scenarios for faster or slower economic recovery. Although the province did not present an estimate of the fiscal effects of its alternative scenarios, we forecast that they could result in a 20-30% improvement or deterioration relative to the projected CAD12.5 billion 2020-21 deficit.

Moody's related publications

Credit Opinion

» [Province of British Columbia \(Canada\): Update to Credit Analysis, May 2020](#)

Sector research

» Sub-Sovereign - Canada: [Material shift in fiscal forecasts not a direct signal of deterioration in credit quality, July 2020](#)

» Sub-Sovereign - Canada: [FAQ on pandemic-driven credit pressures facing public-sector entities, July 2020](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

-
- 2 **20 July 2020** **Province of British Columbia (Canada): British Columbia projects broader sectoral weakness in 2020-21 resulting in higher deficit and debt**

Rating Report
Province of British Columbia

DBRS Morningstar
 April 21, 2020

Contents

- 2 Rating Drivers
- 2 Next Review
- 2 Economic Outlook
- 4 Budget Outlook
- 6 Debt and Liquidity

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Issuer Description

B.C. is Canada’s westernmost province, located along the Pacific Ocean. The Province has a population of 5.0 million and is the fourth-largest provincial economy in the country by GDP. The Province has a diverse and stable economy, with nominal GDP of about \$300.0 billion.

Ratings

Debt	Rating	Rating Action	Trend
Issuer Rating	AA (high)	Confirmed	Stable
Long-Term Debt	AA (high)	Confirmed	Stable
Renminbi Bonds	AA (high)	Confirmed	Stable
Short-Term Debt	R-1 (high)	Confirmed	Stable

Includes the Short-Term and Long-Term Obligations of the British Columbia Hydro and Power Authority (BC Hydro) based on its status as an Agent of the Crown.

DBRS Limited (DBRS Morningstar) confirmed the Issuer Rating, Long-Term Debt rating, and Renminbi Bonds rating of the Province of British Columbia (B.C. or the Province) at AA (high) and the Short-Term Debt rating at R-1 (high). All trends are Stable.

The Province released its 2020 budget on February 18, 2020. Since that time, the fiscal and economic outlook have deteriorated significantly. The Province has yet to release a comprehensive economic and fiscal update, while private-sector economic forecasts have steadily fallen in recent weeks. Despite the deterioration, the Province’s credit profile remains consistent with the AA (high) rating category under DBRS Morningstar’s stress scenario. This reflects the underlying strength and diversity of the Province’s economy and disciplined fiscal policy and management practices, which enabled the B.C. to enter this downturn with considerable fiscal flexibility and a strong balance sheet.

DBRS Morningstar assumed a meaningful contraction in economic activity for the stress scenario (5.5% real, 7.0% nominal), reflecting a shutdown of nonessential services that lasts for several more weeks, at a minimum, before an extended period of normalization characterized by a slow return to work and ongoing physical distancing requirements.

With a decline in revenue and the new measures to support households and businesses, DBRS Morningstar estimates the Province’s deficit to be about \$6.5 billion under the stress scenario. This equates to a DBRS Morningstar-adjusted deficit of \$9.5 billion, or 3.3% of GDP, which is considerably larger than that recorded at the peak of the financial crisis in 2009–10 (-2.0% of GDP). However, DBRS Morningstar notes that much of the increase in spending is likely to be one-time and nonrecurring in nature.

With the deterioration in the operating outlook and the need for increased cash to fund deferral programs and higher liquidity needs, DBRS Morningstar estimates that the Province’s borrowing

program could increase by \$6.0 billion to nearly \$15.0 billion in 2020–21. Similarly, DBRS Morningstar estimates that B.C.'s net debt will surpass \$55.0 billion and that the Province's DBRS Morningstar-adjusted debt will approach \$56.0 billion in 2020–21. This equates to a DBRS Morningstar-adjusted debt-to-GDP ratio of about 19.5%, a rise of nearly 4.5 percentage points from 2019–20.

Rating Drivers

A negative rating action could result from a sustained deterioration in operating results and marked increase in the debt-to-GDP ratio beyond the levels outlined under the stress scenario. A positive rating action is not contemplated in the current environment.

Next Review

DBRS Morningstar expects to conduct a subsequent review of the Province's credit profile once the outlook has stabilized and B.C. has provided a comprehensive fiscal and economic outlook. At that time, DBRS Morningstar expects to release its customary rating report.

Financial Information

	Fiscal year ended March 31				
	2021 ¹	2020 ¹	2019	2018	2017
Debt/GDP	19.5%	15.1%	14.5%	15.5%	15.8%
Surplus (deficit)/GDP	-3.3%	-0.9%	-0.1%	-0.2%	0.3%
Federal transfers/total revenue	17.9%	16.1%	16.0%	17.4%	16.3%
Interest costs/total revenue	3.2%	3.1%	3.2%	3.3%	3.3%
Real GDP Growth	-5.5%	1.8%	2.6%	3.7%	2.8%

¹. DBRS Morningstar has assumed modest deterioration in the Province's operating results for 2019–20. In the absence of an updated budget forecast, DBRS Morningstar has assumed a total impact of \$750 million in revenue and expense pressures. Similarly, DBRS Morningstar has applied a stress scenario to the Province's budget 2020 outlook for 2020–21. The stress scenario assumes a sharp contraction in economic activity (-5.5% real,

-7.0% nominal). Details are provided are below.

Sources: Statistics Canada, Province of British Columbia, and DBRS Morningstar.

Economic Outlook

The economic outlook has deteriorated sharply, though the full extent of the downturn will depend on the severity and duration of the shutdown of nonessential services, the pace of normalization post-shutdown (both in B.C. and elsewhere), and the extent to which federal and provincial programs support economic activity. At this time, the shutdown appears likely to last for several more weeks, at a minimum, before a gradual reopening of the economy is implemented.

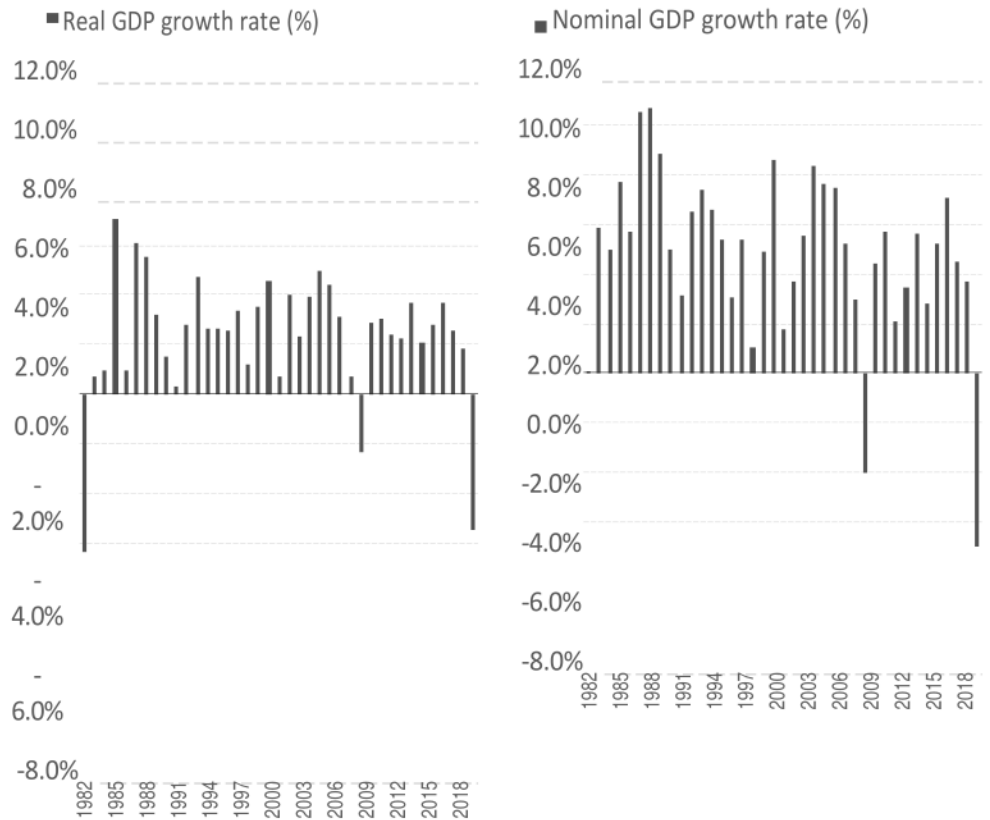
For B.C., DBRS Morningstar has assumed that real GDP will contract by 5.5% and that nominal GDP will contract by 7.0%. This scenario is comparable with recent private-sector forecasts, in which real GDP forecasts range between -3.6% and -7.9%. The assumed contraction is more severe than that experienced in 2009 when real GDP contracted by 2.4% and nominal GDP contracted by 4.0%. However, the assumed contraction is less severe than the 1982 contraction when real GDP fell by 6.4%.

A large share of the Province's economy has been directly or indirectly affected by the shutdown of nonessential services. And many of the industries that are still operating are operating on a reduced

basis because of weaker demand or physical distancing requirements. For B.C., retail and wholesale trade, transportation/warehousing, travel/tourism, accommodation and food services, entertainment and sporting events, personal services, and natural resources have all been significantly affected.

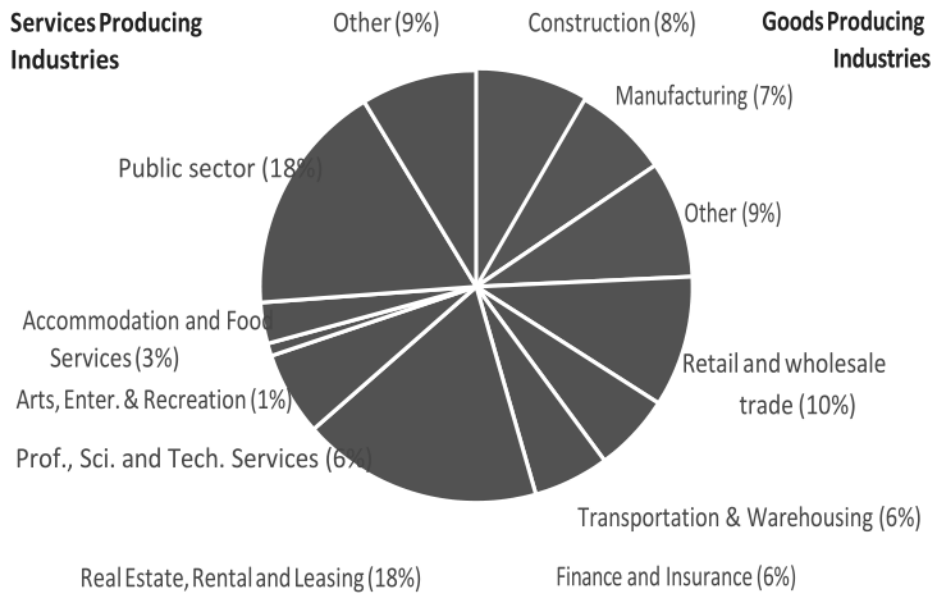
Unemployment rose sharply in March to 7.2% (an increase of 2.2 percentage points) and is expected to rise further in April. Combined with financial market losses, reduced tourism, and possibly weaker population growth, consumption will slow in the coming quarters. At the same time, the outlook for the housing market is now likely shifting for many of the same reasons. DBRS Morningstar expects a drop in transaction volumes and that some of the recent price pressures will ease. High household debt levels remain a key downside risk for the provincial outlook and could exacerbate a downturn.

Exhibit 1 History of Economic Growth and 2020 Working Assumption



Sources: Statistics Canada, Province of British Columbia, and DBRS Morningstar.

Exhibit 2 Real GDP Shares by Industry (2018)



Sources: Statistics Canada and DBRS Morningstar.

Budget Outlook

The Province tabled its 2020–21 budget in mid-February. At that time, the government continued to plan for modest budget surpluses and its policy priorities remained (1) making life more affordable, (2) enhancing public services, and (3) building a strong and sustainable economy. B.C.'s underlying budget practices continued to be conservative, which provided it with flexibility to address normal unforeseen spending pressures, revenue volatility, and statutory spending requirements (e.g., response to disasters, litigation, etc.).

The budget projected a \$227 million surplus and included more than \$1.0 billion in budget flexibility through the use of a weaker-than-consensus economic forecast, a \$300 million forecast allowance, \$600 million in explicit expense contingencies, and a relatively low natural gas price for resource revenue projections.

In response to the impact of the Coronavirus, the Province announced \$5.0 billion in new fiscal measures in late March, including income supports; tax relief; and direct funding for people, businesses, and services. The announcement included \$1.5 billion for an economic recovery program that is now under development. The Province also announced payment deferral programs for individuals and businesses, including programs for the Insurance Corporation of British Columbia, BC Hydro, and provincial taxes.

The Province has yet to provide guidance on revenue impacts. However, using B.C.'s budget sensitivities, DBRS Morningstar estimates that own revenue could be \$2.5 billion lower than the 2020 budget forecast, though DBRS Morningstar notes that the provincial revenue sensitivity estimates are less reliable with large changes to underlying assumptions. DBRS Morningstar expects declines in income tax revenue, sales and other consumption tax revenue, some Government Business Enterprise (GBE) net income (BC Hydro and liquor and lotteries), and various licenses and fees. DBRS Morningstar believes federal transfers may be modestly higher than what was projected in the Province's February budget.

The Province planned for a significant increase in capital investment (+35.8%). In the past, actual capital investment has tended to be about 15% lower than budget projections. Physical distancing requirements and possible supply disruptions are likely to result in a lower realization rate in 2020–21. Consequently, DBRS Morningstar projects that capital investment is likely to be 20% to 25% lower than the budget projection.

Taken together, DBRS Morningstar estimates the Province's budget deficit to be in the range of \$6.5 billion in 2020–21 under this scenario, which equates to a DBRS Morningstar-adjusted operating deficit of \$9.5 billion (-3.3% of GDP). DBRS Morningstar typically excludes one-time and nonrecurring spending from its DBRS Morningstar-adjusted measure. At this time, it is unclear what share of the revenue and expense impacts will be one-time in nature. DBRS Morningstar will revise its adjusted figure once more details are available.

Exhibit 3 Budget Forecast (Share of GDP)

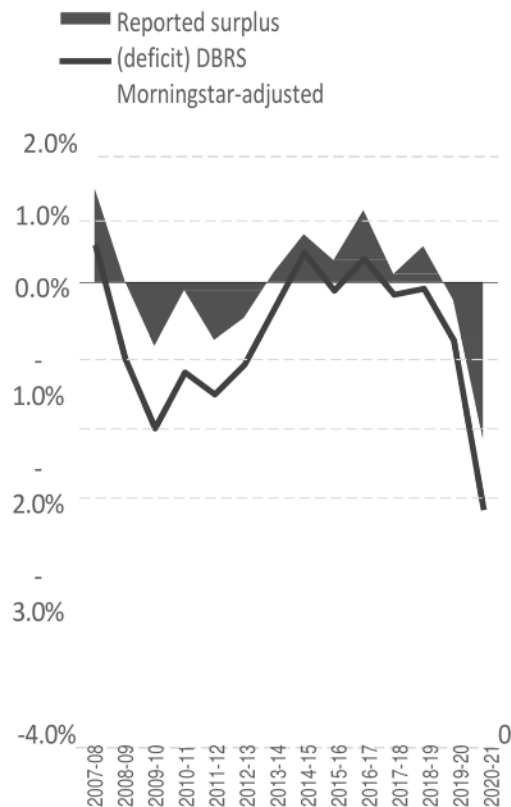
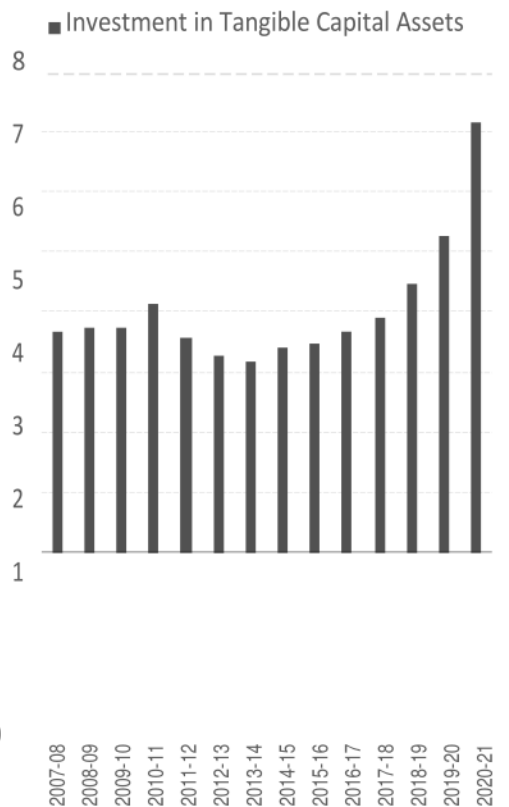


Exhibit 4 Capital Investment (CAD billions)



Sources: Province of British Columbia and DBRS Morningstar.

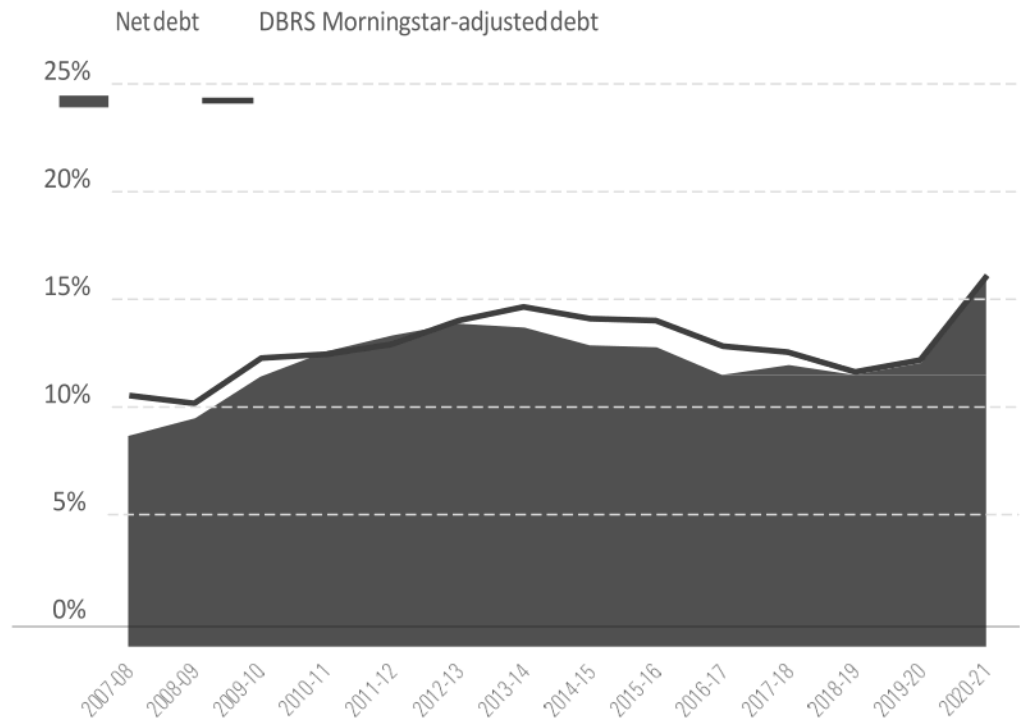
Debt and Liquidity

Under DBRS Morningstar's stress scenario, DBRS Morningstar projects the Province's borrowing requirement to rise by \$6.0 billion to \$14.6 billion in 2020–21. The \$6.0 billion increase incorporates the deterioration in the budget outlook, additional cash requirements to fund various deferral programs to enhance liquidity.

DBRS Morningstar estimates that the Province's net debt will surpass \$55.0 billion and that the Province's DBRS Morningstar-adjusted debt will approach \$56.0 billion in 2020–21. This equates to a DBRS Morningstar-adjusted debt-to-GDP ratio of about 19.5%. While this is a significant increase above recent levels and higher than those reached following the financial crisis, it remains the lowest debt-to-GDP ratio among the Canadian provinces.

DBRS Morningstar notes that B.C. has been proactive in recent weeks to enhance its liquidity position amid market uncertainty. The Province has raised \$6.6 billion since mid-March in term debt and has increased its short-term debt outstanding by about \$1.8 billion. While market conditions have been challenging, the Province continues to have broad market access and solid investor receptivity. DBRS Morningstar expects provincial funding conditions to continue to improve, particularly with the introduction of the Bank of Canada's Provincial Money Market Purchase Program and the Provincial Bond Purchase Program.

Exhibit 5 Debt-to-GDP Ratios (%)



Sources: Statistics Canada, Province of British Columbia, and DBRS Morningstar.

At the time of writing, the Province has significant liquidity. The Province has more than \$9.6 billion in cash and temporary investments, \$0.7 billion in sinking funds, an estimated \$3.0 billion in special- purpose funds, and it maintains \$400 million in undrawn credit facilities.

Notes:

All figures are in Canadian dollars unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrsmorningstar.com.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.

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Date of Release: April 21, 2020

DBRS Morningstar Confirms the Province of British Columbia at AA (high) with a Stable Trend

Industry Group: Governments

Subindustry: Sub-Sovereign

Governments **Region:** Canada

DBRS Limited (DBRS Morningstar) confirmed the Issuer Rating, Long-Term Debt rating, and Renminbi Bonds rating of the Province of British Columbia (B.C. or the Province) at AA (high) and the Short-Term Debt rating at R-1 (high). DBRS Morningstar also confirmed British Columbia Hydro and Power Authority's Long-Term Obligations at AA (high) and Short-Term Obligations at R-1 (high). All trends are Stable.

The Province released its 2020 budget on February 18, 2020. Since that time, the fiscal and economic outlook have deteriorated significantly. The Province has yet to release a comprehensive economic and fiscal update, while private-sector economic forecasts have steadily fallen in recent weeks. Despite the deterioration, the Province's credit profile remains consistent with the AA (high) rating category under DBRS Morningstar's stress scenario. This reflects the underlying strength and diversity of the Province's economy and disciplined fiscal policy and management practices, which enabled the B.C. to enter this downturn with considerable fiscal flexibility and a strong balance sheet.

DBRS Morningstar assumed a meaningful contraction in economic activity for the stress scenario (5.5% real, 7.0% nominal), reflecting a shutdown of nonessential services that lasts for several more weeks, at a minimum, before an extended period of normalization characterized by a slow return to work and ongoing physical distancing requirements.

With a decline in revenue and the new measures to support households and businesses, DBRS Morningstar estimates the Province's deficit to be about \$6.5 billion under the stress scenario. This equates to a DBRS Morningstar-adjusted deficit of \$9.5 billion, or 3.3% of GDP, which is considerably larger than that recorded at the peak of the financial crisis in 2009–10 (-2.0% of GDP). However, DBRS Morningstar notes that much of the increase in spending is likely to be one-time and nonrecurring in nature.

With the deterioration in the operating outlook and the need for increased cash to fund deferral programs and higher liquidity needs, DBRS Morningstar estimates that the Province's borrowing program could increase by \$6.0 billion to nearly \$15.0 billion in 2020–21. Similarly, DBRS Morningstar estimates that B.C.'s net debt will surpass \$55.0 billion and that the Province's DBRS Morningstar-adjusted debt will approach \$56.0 billion in 2020–21. This equates to a DBRS Morningstar-adjusted debt-to-GDP ratio of about 19.5%, a rise of nearly 4.5 percentage points from 2019–20.

RATING DRIVERS

A negative rating action could result from a sustained deterioration in operating results and marked increased in the debt-to-GDP ratio beyond the levels outlined under the stress scenario. A positive rating action is not contemplated in the current environment.

DBRS Morningstar expects to conduct a subsequent review of the Province's credit profile once the outlook has stabilized and B.C. has provided a comprehensive fiscal and economic outlook. At that time, DBRS Morningstar expects to release its customary rating report.

ESG CONSIDERATIONS

A description of how DBRS Morningstar considers ESG factors within the DBRS Morningstar analytical framework and its methodologies can be found at: <https://www.dbrsmorningstar.com/research/357792>.

Notes:

All figures are in Canadian dollars unless otherwise noted.

The principal methodologies are Rating Canadian Provincial and Territorial Governments (May 15, 2019) and Global Methodology for Government Related Entities (March 10, 2020), which can be found on dbrsmorningstar.com under Methodologies & Criteria.

For more information regarding rating methodologies and Coronavirus Disease (COVID-19), please see the following DBRS Morningstar press release: <https://www.dbrsmorningstar.com/research/357883>.

The related regulatory disclosures pursuant to the National Instrument 25-101 *Designated Rating Organizations* are hereby incorporated by reference and can be found by clicking on the link under Related Documents or by contacting us at info@dbrsmorningstar.com.

The rated entity or its related entities did participate in the rating process for this rating action. DBRS Morningstar had access to the accounts and other relevant internal documents of the rated entity or its related entities in connection with this rating action.

Generally, the conditions that lead to the assignment of a Negative or Positive trend are resolved within a 12-month period. DBRS Morningstar trends and ratings are under regular surveillance.

The full report providing additional analytical detail is available by clicking on the link under Related Documents below or by contacting us at info@dbrsmorningstar.com.

For more information on this credit or on this industry, visit www.dbrsmorningstar.com or contact us at info@dbrsmorningstar.com.

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Issuer	Debt Rated	Rating Action	Rating	Trend
Province of British Columbia	Issuer Rating	Confirmed	AA (high)	Stable

Province of British Columbia	Long-Term Debt	Confirmed	AA (high)	Stable
Province of British Columbia	Renminbi Debt	Confirmed	AA (high)	Stable
Province of British Columbia	Short-Term Debt	Confirmed	R-1 (high)	Stable
British Columbia Hydro and Power Authority	Long-Term Obligations (based on Province of BC)	Confirmed	AA (high)	Stable
British Columbia Hydro and Power Authority	Short-Term Obligations (based on Province of BC)	Confirmed	R-1 (high)	Stable

Contacts Paul LeBane
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FitchRatings**RATING ACTION COMMENTARY****Fitch Affirms Province of British Columbia's IDR at 'AAA'; Outlook Revised to Negative**

Thu 30 Jul, 2020- 5:22 PM ET

Fitch Ratings - New York - 30 Jul 2020: Fitch Ratings has affirmed the following ratings on the Province of British Columbia, Canada:

--Long-Term Foreign Currency Issuer Default Rating (IDR) at 'AAA';

--Long-Term Local Currency IDR at 'AAA';

--Senior unsecured debt at 'AAA';

--Short-Term IDR at 'F1+'.

The Rating Outlook on the long-term ratings has been revised to Negative from Stable.

The affirmation of British Columbia's ratings are based on its Standalone Credit Profile (SCP), which remains at 'aaa'. Canada's IDR, rated at 'AA+' / Stable following Fitch's downgrade on June 24, 2020, neither directly constrains nor supports the rating on British Columbia. The SCP indicates Fitch's assessment of the province's

<https://www.fitchratings.com/research/international-public-finance/fitch-affirms-province-of-british-columbia-idr-at-aaa-outlook-revised-to-negative-3.0-> 1/16

credit quality based on two analyses. First, the province's risk profile is assessed as 'Stronger', reflecting its intrinsic economic and institutional characteristics as analyzed within the revenue, spending, liability and liquidity factors considered under Fitch's criteria for local and regional governments (LRGs). Second, the province's debt sustainability is assessed in the 'aa' category. The debt sustainability assessment is derived from a rating case scenario that posits the possible trajectory of an LRG's fiscal and debt performance from the present through fiscal 2025.

Fitch's scenario considers the current severe economic and fiscal stress, and potential offsetting policy responses by the province.

The revision of the Rating Outlook to Negative from Stable reflects the possibility of the debt sustainability assessment falling into the 'a' category under Fitch's rating case. A sharp increase in the province's debt burden is all but certain in the coming years, as calculated by Fitch, potentially rising to a level, in the absence of sufficient offsetting actions, that would be incompatible with the current rating. The province's July 2020 economic and fiscal update anticipates a sharp economic contraction and a yawning deficit in fiscal 2021 relative to the tabled budget, triggered both by revenue losses and by the twin needs of responding to the pandemic and restarting the economy. The size of the potential deficit, if it materializes, far exceeds the province's experience in the Great Recession, and could have a longer lasting impact on outstanding debt.

The July update was confined specifically to the situation in fiscal 2021, and Fitch expects both an economic rebound and an eventual budgetary consolidation plan to curb growth in the debt burden, possibly within the timeline outlined in the Economic Stabilization (Covid-19) Act, passed in June, which permits deficits through fiscal 2024. In the meantime, borrowing for operations is expected to raise outstanding debt, adding to the steady forecast rise in borrowing to support the province's ambitious multiyear capital plan.

Although Fitch does not directly link British Columbia's 'AAA' IDR to the 'AA+' IDR for Canada, the national recession and the federal policy response to it are contributing to our view of British Columbia's weakening debt sustainability. Higher expected federal borrowing, when combined with provincial borrowing for operations and capital, would further raise British Columbia's economic liability burden, a metric that measures provincial debt and a pro-rata share of federal debt to GDP. The rise in federal borrowing, combined with expected provincial borrowing for operating deficits and capital projects, is reducing the leeway for additional borrowing that the province can carry while remaining within the 'aa' debt

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sustainability assessment. The economic liability burden is a primary metric for assessing debt sustainability for LRGs with sovereign-like powers and responsibilities, such as provinces.

The Negative Rating Outlook does not necessarily mean that Fitch views a downgrade of British Columbia's IDR as inevitable, and the context of the economic and fiscal recovery and future budget plans, both in British Columbia and Canada, will influence the resolution of the Negative Rating Outlook. Based on the scenario assumptions outlined below, Fitch's rating case scenario anticipates an economic liability burden of 69% in fiscal 2025, growing from 45% in fiscal 2020. The ratio would rise over 70% through most of the scenario period, even as policy responses are implemented to narrow potential deficits.

Fitch expects policy responses to be unveiled once the public health crisis recedes and the outlines of the recession and fiscal gap become clearer. However, the uncertainties going forward are significant, and the size of necessary actions to balance are well beyond what the province had to implement following the last recession. An extended health crisis, slower economic and revenue rebound, higher spending needs and higher capital spending could delay recovery and lead to a higher debt burden and would likely lead to a downgrade. Offsetting these factors are the inherent strengths of British Columbia's economy and finances, which could ultimately position it for a solid recovery assuming the pandemic remains under control.

KEY RATING DRIVERS

Risk Profile: 'Stronger'

Fitch assesses the underlying risk profile for British Columbia as 'Stronger', reflecting the stronger assessments assigned by Fitch in five of six risk categories. The six risk categories are detailed below:

Revenue Robustness: 'Stronger'

British Columbia's diverse revenue base, including income and sales taxes, is closely correlated to the province's healthy economic performance, and supports the 'Stronger' revenue robustness assessment. The province's growth prospects are strong and in line with economic growth prospects for Canada overall. Although

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British Columbia's diverse economy is subject to cyclical, Fitch anticipates it will continue over time to grow faster than most other provinces, driven by steady population gains, favorable labor market conditions and strong international linkages.

Revenue Adjustability: 'Stronger'

Like all Canadian provinces, British Columbia has unlimited legal control of own-source revenue under Canada's constitutional framework, and, thus, Fitch assesses its revenue adjustability as stronger by default. Own-source revenues are the vast majority of the revenue base, with a well-established system of federal transfers providing additional stability.

Expenditure Sustainability: 'Midrange'

As with other provinces, British Columbia's spending responsibilities are broad. The largest areas of spending are education (generally non-cyclical and stable) and healthcare (counter-cyclical and prone to rise more quickly over time). During economic downturns, British Columbia typically maintains steady spending on programs and accelerates capital outlays for economic stimulus. The 'Midrange' assessment, identical to other Fitch-rated provinces, reflects the broad spending mandate and track record of stimulus spending, which exposes the province to a higher risk that spending exceeds revenue over time.

Expenditure Adjustability: 'Stronger'

As with revenue, British Columbia retains extensive control over spending, supporting the 'Stronger' assessment. British Columbia's flexibility with regards to program spending is somewhat constrained by service demands from residents, although the province otherwise retains substantial control of spending given collective bargaining for the large civil service. Fixed costs are relatively modest, including for servicing debt, and spending mandates are not a significant constraint on the province's spending control.

Liabilities and Liquidity Robustness: 'Stronger'

British Columbia manages its debt profile independent of the federal government, and within its own robust provincial framework. The provincial treasury maintains close oversight of liquidity and borrowing, with risks stemming from variable-rate,

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foreign exchange and debt refinancing carefully managed. Robust access to global capital markets supports liquidity and provides flexibility for supporting operating needs, financing deficits and refinancing bullet maturities.

Liabilities and Liquidity Flexibility: 'Stronger'

As with all provinces, British Columbia has extensive power under Canada's federal framework to manage its own internal liquid resources or mobilize external resources as needed, leading to the 'Stronger' assessment. As of March 31, 2020, Fitch estimates the province carried CAD6.8 billion in relatively liquid cash and temporary investments that could be liquidated as needed to support emergency cash flow needs.

Debt sustainability: 'a' category

Under Fitch's criteria for rating LRGs, British Columbia is classified as a Type A LRG with sovereign-like powers and responsibilities. As a Type A entity, its primary debt sustainability metric is the economic liability burden (net adjusted debt plus a proportional share of the sovereign's debt relative to the province's GDP).

Secondary metrics including the fiscal debt burden (net adjusted debt to operating revenue) and actual debt service coverage (operating balance to debt service) are also considered in assigning the score.

Fitch anticipates the economic liability burden will rise over the rating case period. The affirmation of the IDR considers the province's ability to apply policy options to prevent debt from rising over the long term to a level exceeding 70% of GDP, the threshold for an 'a' category assessment. The path of future borrowing will be influenced by the size of budgetary deficits the province is likely to carry, additional borrowing to execute a sizable planned capital program, and the increase in central government debt stemming from the recession and the federal fiscal policy response.

In fiscal 2020 (estimated), Fitch calculates net adjusted debt of approximately CAD38 billion, consisting primarily of senior unsecured general debt. The economic liability burden measures 45% as of fiscal 2020, well within the 'aa' category for debt sustainability. Fitch's calculation includes public-private partnerships and leases, and nets out sinking funds for taxpayer-supported debt, cash and temporary investments. Pensions are effectively fully funded, and Fitch considers the liability for other future employee benefits and debt of the self-supporting crown

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corporations (primarily BC Hydro) as contingent obligations and excludes them from net adjusted debt.

In the rating case scenario, Fitch includes revenue and spending policy responses phased in over the period through fiscal 2025, equivalent to approximately 1.2% of GDP in that year, and assumes that capital spending peaks following the pandemic and falls as the economy strengthens, consistent with past capital spending cycles. Based on these assumptions, the province's economic liability burden jumps to 74% by fiscal 2023 before beginning to decline; in fiscal 2025, it measures 69%. The fiscal debt burden metric remains within the 'aa' category for debt sustainability through the period. Debt service coverage remains below 1x through the period, typical for Canadian provinces. Given the province's ability to carry deficits, its ample liquid resources and ready access to provincial debt markets, Fitch relies less on debt service coverage ratios to assess debt sustainability.

DERIVATION SUMMARY

British Columbia's SCP is assessed at 'aaa', reflecting a 'Stronger' risk profile and debt sustainability metrics in the 'aa' category. Since no other factors affect the ratings, British Columbia's IDRs are equal to the SCP. The province's 'aaa' SCP is one notch above Canada's sovereign rating. In Fitch's view, provinces with an SCP above the sovereign have the ability to meet the conditions under Fitch's criteria that are necessary to be rated above the sovereign IDR, including institutional recognition and financial and fiscal autonomy; these factors also inform the 'Stronger' risk profile assessment. However, factors affecting Canada's credit quality may also affect the credit quality of individual provinces, tempering the degree to which Fitch would recognize the potential for a province to be rated above the sovereign, including British Columbia.

With broad powers devolved to the provinces under Canada's federal structure, negotiation and consensus among the provinces and federal government are necessary to initiate most changes. The powers and responsibilities of provinces limit the ability of Canada's government to unilaterally impose changes, notably on matters that fall exclusively to the provinces. Direct taxation for provincial purposes and the power to borrow on their own credit are the basis for these expansive fiscal powers. Federal transfers to provinces are material but are likewise based on negotiation and compromise and historically have not been subject to disruptive shifts. British Columbia is among the provinces less dependent on such transfers,

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and would not be constrained based on current tax rates in raising taxes from its large, diverse and wealthy economic base. Other financial flows between the provinces and the federal government are significant, such as tax collection agreements intended to simplify tax administration, but such factors do not significantly constrain our view of British Columbia's financial autonomy.

KEY ASSUMPTIONS

Qualitative Assumptions and Assessments:

- Risk Profile: Stronger.
- Revenue Robustness: Stronger.
- Revenue Adjustability: Stronger.
- Expenditure Sustainability: Midrange.
- Expenditure Adjustability: Stronger.
- Liabilities and Liquidity Robustness: Stronger.
- Liabilities and Liquidity Flexibility: Stronger.
- Debt sustainability: 'a' category.
- Support: none.
- Asymmetric Risk: none.

Quantitative Assumptions - Issuer Specific

Fitch's rating case scenario incorporates a combination of revenue, cost and financial risk stresses and potential policy responses through a stress scenario. It is based on the 2016-2019 actual results, preliminary results for fiscal 2020 in the February 2020 tabled budget, figures for fiscal 2021 provided in the Economic and Fiscal Update 2020-2021, released on July 14, and Fitch's projections for fiscal years 2021-2025. The key assumptions for the scenario include:

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--An expected decline in nominal GDP for 2020 of 4.6% for the province and 6.2% for Canada, followed by 7.0% provincial and 4.6% national growth in 2021. The forecast assumptions for British Columbia are informed by recent publicly available forecasts published by Canadian banks; the forecasts for Canada are based on Fitch's Global Economic Outlook. Nominal GDP growth for both the province and the nation is assumed to be 4.7%, 3.7% and 3.7% in the following three years.

--The deficit in fiscal 2021 is based on the combination of revenue impacts and spending responses outlined in the July 2020 update, as modified by Fitch.

--Provincial and federal nominal GDP are the basis for growing own-source revenues and federal transfers through fiscal 2025. Federal transfers in fiscal 2021 assume a per capita apportionment of the recently announced CAD19 billion federal safe restart funding. Growth of revenues in the fiscal 2022-2025 period is adjusted by Fitch's assumptions for potential policy actions.

--Full use of the contingencies built into the province's February 2020 tabled budget.

--Removal of extraordinary pandemic expenditures in fiscal 2022, with baseline growth in operating spending through fiscal 2025 approximating the levels in the February 2020 tabled budget, partly offset by savings from potential policy actions.

--Capital spending in fiscal 2020 below the February 2020 budget level.

--3% cost of debt over the next five years.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--Stronger Performance Reducing Debt: The Rating Outlook could be revised back to Stable in the event that the economic and fiscal recovery is more pronounced at the federal and provincial levels, resulting in more robust GDP growth and reducing the expected growth in the province's debt burden.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

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--Prolonged or Deeper Fiscal Imbalance: Provincial economic and fiscal performance during the current recession that is significantly weaker than current Fitch expectations and that leads to more severe deficits, a prolonged period of consolidation and a greater reliance on borrowing.

--Federal Fiscal Weakness: More severe deterioration in the federal fiscal outlook, including a lengthier national downturn, more severe deficits and a higher debt burden, which pushes up the pro-rata share of central government debt recognized in the province's economic liability burden metric.

--Challenges in Achieving Consolidation: Evidence of difficulties in successfully carrying out the revenue and expenditure measures necessary to return to fiscal balance and resume debt reduction.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit [<https://www.fitchratings.com/site/re/10111579>].

CRITERIA VARIATION

The analysis supporting the 'AAA' IDR on the Province of British Columbia includes a variation from the "Rating Criteria for International Local and Regional Governments," dated September 2019. A variation was made to the limitation on rating leeway for an LRG's Long-Term Foreign-Currency IDR relative to the sovereign's Long-Term Foreign-Currency IDR. The variation recognizes that the expansive fiscal powers of provinces under Canada's constitutional framework

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provide British Columbia with additional leeway to meet its financial obligations allowing for a one-notch distinction relative to Canada's 'AA+' IDR.

SUMMARY OF FINANCIAL ADJUSTMENTS

Minor adjustments have been made to the province's accrual based financial statement and budgetary data to calculate cash-based metrics under Fitch's criteria and to facilitate comparisons across Canadian and international LRGs.

SOURCES OF INFORMATION

In addition to the sources of information identified in Fitch's "International Local and Regional Governments Rating Criteria," this action was additionally informed by information from Statistics Canada.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance, if present, is a score of 3. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity(ies), either due to their nature or to the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY/DEBT	RATING
British Province of	LT AAA Rating Outlook Negative Affirmed Columbia, IDR

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ENTITY/DEBT	RATING		
•	ST IDR	F1+	Affirmed
•	LC LT IDR	AAA Rating	Outlook Negative Affirmed
• senior unsecured	LT	AAA	Affirmed

VIEW ADDITIONAL RATING DETAILS

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APPLICABLE CRITERIA

Rating Criteria for International Local and Regional Governments (pub. 13 Sep 2019)
(including rating assumption sensitivity)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form
Solicitation Status
Endorsement Policy

ENDORSEMENT STATUS

British Columbia, Province of EU Endorsed

ADDITIONAL DISCLOSURES FOR UNSOLICITED CREDIT RATINGS**British Columbia, Province of (Unsolicited)**

With Rated Entity or Related Third Party Participation	Yes
With Access to Internal Documents	No
With Access to Management	Yes

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The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

UNSOLICITED ISSUERS

ENTITY/SECURITY	ISIN/CUSIP/COUPON RATE	RATING TYPE	SC ST
British Columbia, Province of senior unsecured bond/note	CA11070ZCH51	Long Term Rating	Ur
British Columbia, Province of senior unsecured bond/note	CA11070ZCR34	Long Term Rating	Ur
British Columbia, Province of senior unsecured bond/note	CA11070ZBJ27	Long Term Rating	Ur
British Columbia, Province of senior unsecured bond/note	CA11070ZCN20	Long Term Rating	Ur

Provincial Treasury - Key Stakeholders

Branch	Organization	Contact	Description	Key Issues	Address
Banking Cash Management Branch (BCM)	Canadian Imperial Bank of Commerce	Jim Saville Director, Cash Management Personal Information	<ul style="list-style-type: none"> CIBC is the Province's primary bank They are the primary cash warehouse for government working capital with balances regularly exceeding \$600M 	<ul style="list-style-type: none"> Liquidity management Revenue collection 	
BCM	TD Merchant Services (TDMS)	Robert Crawford Head of Sales & Relationship Mgmt. Personal Information	<ul style="list-style-type: none"> TDMS processes 30MM debit and credit card revenue transactions p.a. Revenue through this collection channel exceeds \$2.6B p.a. 	<ul style="list-style-type: none"> Revenue collection 	

Branch	Organization	Contact	Description	Key Issues	Address
BCM	Central 1 Credit Union	Sylvain Painchaud Director, Client Development Program Personal Information	<ul style="list-style-type: none"> Central 1 is the Province's disbursement bank All outgoing payments flow through this financial institution. 	<ul style="list-style-type: none"> Government payables Payments to citizens Payroll 	
BCM	BC Hydro	Lisa Gifford Treasury Personal Information	<ul style="list-style-type: none"> BC Hydro participates with the Province in relation to aggregating working capital This reduces the Province's borrowing needs, and maximizes the utility of surplus cash 	<ul style="list-style-type: none"> Liquidity management 	
BCM	Transportation Financing Authority	Gary So Director of Finance 250-387-7873 Gary.so@gov.bc.ca	<ul style="list-style-type: none"> Process Certificates of Approval related to capital expenditures 	<ul style="list-style-type: none"> Liquidity management 	

Branch	Organization	Contact	Description	Key Issues	Address
BCM	Liquor Distribution Branch	Roger Bissoondatt, Chief Financial Officer 604-252-3151 Roger.bissoondatt@bcldb.com	<ul style="list-style-type: none"> LDB processes \$5.7 Billion in cash flow per annum through BCM's banking infrastructure 	<ul style="list-style-type: none"> Government revenue 	
BCM	BC Investment Management Corporation	Robert Field Director, Client Services Personal Information	<ul style="list-style-type: none"> bcIMC manages government non-bank investments, with a current aggregate value of \$500M 	<ul style="list-style-type: none"> Working capital management Liquidity Special fund management 	
BCM	Centralized Deposit Program Participants	n/a	<ul style="list-style-type: none"> 70 + participating SUCH Sector organizations deposit their investment cash in this program With an aggregate balance in excess of \$2B this program is a key feature of our working capital management 	<ul style="list-style-type: none"> Liquidity management 	n/a

Branch	Organization	Contact	Description	Key Issues	Address
DMB	BC Investment Management Corporation	Harlan Enns, Director, Personal Information	<ul style="list-style-type: none"> Investment management services to BC's public sector 	<ul style="list-style-type: none"> Manages province's sinking funds and investment portfolios 	750 Pandora Ave Victoria
DMB	British Columbia Hydro and Power Authority	Michael Savidant, Treasurer Personal Information	<ul style="list-style-type: none"> Generate and purchase reliable electricity for BC 	<ul style="list-style-type: none"> Borrowing and Debt portfolio management 	333 Dunsmuir St. Vancouver
DMB	British Columbia Transportation Financing Authority	Gary So, Finance Director, 250 387-7873	<ul style="list-style-type: none"> Acquires constructs and improves transportation infrastructure throughout BC 	<ul style="list-style-type: none"> Borrowing and Debt portfolio management 	PO BOX 9409 Stn Prov Govt, Victoria BC
DMB	DBRS Morningstar	Travis Shaw, Senior Vice President, 416 597-7582 Travis.shaw@dbrsmorningstar.com	<ul style="list-style-type: none"> Credit rating services 	<ul style="list-style-type: none"> Provides credit rating for BC 	181 University Avenue, Toronto

Branch	Organization	Contact	Description	Key Issues	Address
DMB	Moody's Investors Service	Adam Hardi, Senior Analyst, 416 214-3636 Adam.hardi@moodys.com	<ul style="list-style-type: none"> • Credit rating services 	<ul style="list-style-type: none"> • Provides credit rating for BC 	70 York Street, Suite 1400 Toronto
DMB	S&P Global Ratings	Stephen Ogilvie, Primary Credit Analyst 416 507-2524, Stephen.ogilvie@spglobal.com	<ul style="list-style-type: none"> • Credit rating services 	<ul style="list-style-type: none"> • Provides credit rating for BC 	1100, 130 King Street W Toronto
DMB	Fitch Ratings Ltd.	Alan Gibson, Director, US Public Finance 415 7327577 Alan.Gibson@fitchratings.com	<ul style="list-style-type: none"> • Credit rating services 	<ul style="list-style-type: none"> • Provides credit rating for BC 	One Post Street, Suite 900 San Francisco, CA
DMB	Ministry of Justice	Homi Bindra, Joanne Glover, Victoria Garner and Chris Ferguson-Martin. Legal Counsel Personal Information homi.bindra@gov.bc.ca	<ul style="list-style-type: none"> • Provides legal advice to Government 	<ul style="list-style-type: none"> • Advice on Legal issues 	PO Box 9044 STN Prov Govt Victoria

Branch	Organization	Contact	Description	Key Issues	Address
DMB	BMO Nesbitt Burns Inc.	<u>Olivier Ruta, Director</u> Personal Information	<ul style="list-style-type: none"> Co-Managers in BC's domestic and international syndicates 	<ul style="list-style-type: none"> Facilitate debt issues 	1 First Canadian Pl. 3 rd floor Podium, Toronto
DMB	CIBC World Markets	Doug Bartlett, Managing Director, Personal Information	<ul style="list-style-type: none"> Co-Managers in BC's domestic and international syndicates 	<ul style="list-style-type: none"> Facilitate debt issues 	161 Bay Street, 5 th floor Toronto
DMB	National Bank Financial	Sunil Bhutani, Managing Director, 416 869-8636, <u>sunil.bhutani@bnc.ca</u>	<ul style="list-style-type: none"> Co-Managers in BC's domestic and international syndicates 	<ul style="list-style-type: none"> Facilitate debt issues 	130 King Street West, Toronto
DMB	RBC Capital Markets	Alex Caridia, Managing Director, ^{Perso} Personal Information	<ul style="list-style-type: none"> Co-Managers in BC's domestic and international syndicates 	<ul style="list-style-type: none"> Facilitate debt issues 	130 King Street West, Toronto

Branch	Organization	Contact	Description	Key Issues	Address
DMB	Scotia Capital Markets	Frederic Buruiana, Director, Personal Information	<ul style="list-style-type: none"> Co-Managers in BC's domestic and international syndicates 	<ul style="list-style-type: none"> Facilitate debt issues 	40 King Street West, Toronto
DMB	TD Securities Inc.	Trevor Thom, Managing Director, Personal Information	<ul style="list-style-type: none"> Co-Managers in BC's domestic and international syndicates 	<ul style="list-style-type: none"> Facilitate debt issues 	222 Bay St. 7 th fl. Tower, Toronto
RMB	All BC Government Ministries	N/A	<ul style="list-style-type: none"> Purchase insurance through the Risk Management Branch Seek indemnity approval 	<ul style="list-style-type: none"> Risk Management advice, property and liability insurance, indemnity language 	
RMB	All BC Health Authorities	N/A	<ul style="list-style-type: none"> Purchase insurance through the Risk Management Branch Seek indemnity approval 	<ul style="list-style-type: none"> Risk Management advice, property and liability insurance, indemnity language 	

Branch	Organization	Contact	Description	Key Issues	Address
RMB	All BC School Districts	N/A	Purchase insurance through the Risk Management Branch	<ul style="list-style-type: none"> Risk Management advice, property and liability insurance 	
RMB	25 Post Secondary Institutions	N/A	<ul style="list-style-type: none"> Purchase insurance through the Risk Management Branch Seek indemnity approval 	<ul style="list-style-type: none"> Risk Management advice, property and liability insurance, indemnity language 	
RMB	All Crown Corporations	N/A	<ul style="list-style-type: none"> Seek indemnity approval 	<ul style="list-style-type: none"> Risk Management advice, property and liability insurance, indemnity language 	

REVENUE DIVISION

ADM Responsible: Jordan Goss

Core Business/ Program Area Description/Critical Business Processes:

Revenue Division is responsible for the administration of taxes and natural resource royalties for British Columbia (the Province) and for collecting debt on behalf of a number of client ministries. The division:

- Promotes voluntary compliance with obligations through quality customer service, education and compliance programs;
- Undertakes audits to assess compliance, issues assessments and imposes penalties as required;
- Processes tax refunds and the administers tax credit and benefit programs;
- Undertakes collection activities to recover tax and royalty debt as well as debt on behalf of client ministries;
- Supports the appeal process, provided for under the various tax and royalty legislation;
- Undertakes investigations that may lead to the prosecution and/or regulatory enforcement against individuals or businesses that have willfully failed to comply with the Acts administered by the Ministry of Finance;
- Administers certain taxes on behalf of local governments and transit authorities;
- Represents British Columbia in its relationship with the Canada Revenue Agency and the Canada Border Services Agency with respect to the taxation statutes they administer on behalf of the Province;
- Collects of royalties, freehold production taxes and resource management fees levied on the production of minerals, oil and gas; and,
- Manages Ministry of Finance's Alternative Services Delivery contract with Advanced Solutions to provide revenue management services (including billing, payment processing, and collections services), deliver IM/IT services for various revenue and tax programs, and build and maintain a Revenue Management System (Revenue Contract). Note – this contract is ending March 31 and the division is leading the project to transition the services back into government.

Budget: 2020/21:

\$183.088M

Full Time Equivalentents (FTEs):

760.6 FTEs as at September 26, 2020

Related Legislation:

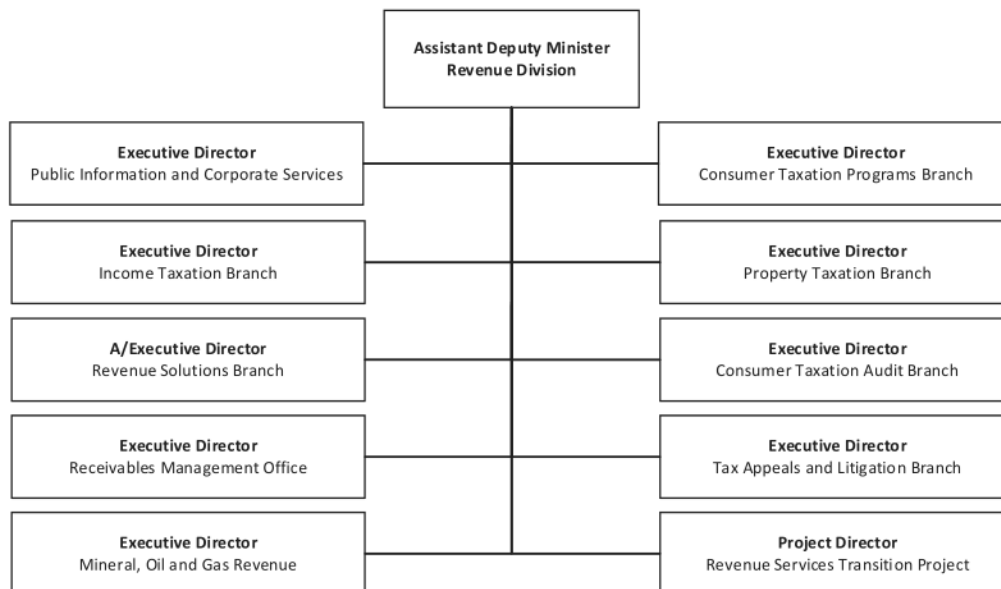
Revenue Division administers the following enactments in whole or in part:

• <i>Carbon Tax Act</i>	• <i>Forest Act (Part 11.1)</i>
• <i>Consumption Tax Rebate and Transition Act</i>	• <i>Motor Fuel Tax Act</i>
• <i>Employer Health Tax Act</i>	• <i>Police Act</i>
• <i>Home Owner Grant Act</i>	• <i>Property Transfer Tax Act</i>
• <i>Hotel Room Tax Act</i>	• <i>Provincial Sales Tax Act</i>
• <i>Income Tax Act</i>	• <i>Real Estate Development Marketing Act</i>
• <i>Indian Self-Government Enabling Tax Act</i>	• <i>School Act</i>
• <i>Insurance Premium Tax Act</i>	• <i>Social Service Tax Act</i>
• <i>International Business Activity Act</i>	• <i>Speculation and Vacancy Tax Act</i>
• <i>Land Tax Deferment Act</i>	• <i>Taxation (Rural Area) Act</i>
• <i>Logging Tax Act</i>	• <i>Tobacco Tax Act</i>

Revenue Division also administers the following enactments and agreements in areas related to revenue management processes only:

<ul style="list-style-type: none"> • <i>Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act</i> <ul style="list-style-type: none"> ○ <i>Renewable and Low Carbon Fuel Requirements Regulations</i> 	• <i>Mines Fee Regulation</i>
• <i>Forest Act</i>	• <i>Petroleum and Natural Gas Act</i>
• <i>Forest and Range Practices Act</i>	• <i>Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation</i>
• <i>Homeowner Protection Act</i>	• <i>Net Profit Royalty Regulation</i>
• <i>International Fuel Tax Agreement</i>	• <i>Oil and Gas Activities Act (production levies)</i>
• <i>Medicare Protection Act</i>	• <i>Orphan Site Reclamation Fund Tax</i>
• <i>Mineral Land Tax Act</i>	• <i>Range Act</i>
• <i>Mineral Tax Act</i>	• <i>Wildfire Act</i>

Organizational Chart:



30/60/90 DAY DECISIONS
Revenue Division

Ministry Issues

30/60/90	Issue	Division Resp
30	Home Owner Grant (HOG) Centralization	RD
60	Advice/Recommendations; Intergovernmental Communications; Government Financial Information	RD

INFORMATION NOTES
Revenue Division

Ministry Notes

	Topic	Division Resp
Airbnb Business Information		RD
	Tobacco and Fuel Tax Exemption (TAFT) Project	RD
	Revenue Services Transition Project	RD
	Implementation of the Increased Employment Incentive	RD
	Implementation of the B.C. PST Rebate on Select Machinery and Equipment	RD

INFORMATION NOTE

Issue:

- Airbnb municipal and regional district tax (MRDT) Business Information

Background:

- In 2017, Airbnb Ireland Unlimited Company (Airbnb) expressed an interest in registering to collect provincial sales tax (PST) and municipal and regional district tax (MRDT) on behalf of their short-term accommodation hosts.
 - PST at a rate of 8% applies to sales of short-term accommodation provided in B.C., unless a specific exemption applies. In addition to the 8% PST, a 2% or 3% MRDT applies on behalf of municipalities, regional districts and eligible entities (MRDT recipients) in participating areas of B.C.
 - The MRDT is remitted to the Province by registered accommodation providers and then the total MRDT received (less administration fees) is disbursed to the MRDT recipients by the Province. To ensure the MRDT recipients receive the MRDT revenues to which they are legally entitled, it is critical that accommodation providers file accurate returns for each of the respective areas.
 - As part of Budget 2018, the *Provincial Sales Tax Act* (PSTA) was amended to allow online accommodation providers who are located outside B.C., such as Airbnb, to voluntarily register to collect and remit taxes on behalf of their accommodation hosts.
 - Although registration is voluntary, once registered, out of province accommodation providers are required to comply with obligations of the PSTA. In addition, Airbnb entered into an agreement with the Ministry of Finance (Ministry) regarding their obligations to file and remit taxes on behalf of hosts. Under this agreement, Airbnb must comply with the PSTA. Government Financial Information
-
- Effective October 1, 2018, Airbnb was registered to collect tax in B.C. and thus became responsible to file tax returns and collect and remit taxes for PST and MRDT on behalf of hosts who had provided their short-term accommodations through Airbnb's online accommodation platform.
 - A government developed tool designed to assist online accommodation platforms in defining the geographical locations of taxation regions for the MRDT, called Geocoder, was fully functional two months in advance of Airbnb's first deadline to file MRDT returns and remit the taxes. The Ministry recommended the Geocoder to Airbnb to identify and calculate the MRDT.

Business Information

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Withheld pursuant to/removed as

Business Information

INFORMATION NOTE

Issue:

- Tobacco and Fuel Tax Exemption Simplification Project

Background:

- The Tobacco and Fuel Tax Exemption Simplification Project is a multi-year project to develop a new electronic system to replace the current paper-based process used to deliver tobacco and fuel tax exemptions to eligible First Nations customers.
- The Ministry of Finance (Ministry) is currently in a procurement process to contract a software vendor to develop the new system.
- Under the federal *Indian Act*, eligible First Nations individuals and bands may purchase fuel, tobacco and other goods on reserve exempt from provincial taxes.
- Government exerts significant oversight over tobacco retailers on reserve to help ensure that tax exemptions are only provided to eligible purchasers and protect tax revenue. The *Tobacco Tax Act* (the Act) establishes authority for the Ministry to control the market for exempt tobacco by determining the maximum volumes that may be sold in a market area, and deciding who is authorized to sell tobacco and how much tobacco each retailer may purchase for resale. In addition, the Act establishes daily and monthly limits on the amount of tobacco that may be purchased by eligible purchasers.
- Some First Nations have expressed concern about the level of oversight of the program resulting in an inability for new retailers to enter the market and existing retailers to expand their market share.
- Retailers must collect First Nations customer identification that is used to verify exemption status. This information is recorded on a paper form (signature sheet) and submitted to the Ministry for review. Each month the Ministry receives thousands of signature sheets.
- The current paper-based process poses a privacy risk as the sheets are not secure and they contain personal information (e.g. status card number and name) that can be viewed by other customers.
- The process is time consuming for both First Nations consumers and for retailers who must collect customer's signatures and complete the paper forms to verify eligibility at point-of-sale.
- Due to the high volumes of paperwork, it is extremely difficult for retailers to determine if First Nations customers have exceeded their daily and monthly limits on purchases of tax-exempt tobacco.
- The Ministry estimates that ^{Advice/Recommendations; Government} ~~Financial Information~~ in tax revenue is lost annually because of ineligible sales and fraud.
- As per the approved business case, the Ministry is proposing a phased project in which the province would first implement an electronic exemption verification system to allow real-time verification of eligible purchasers and manage tobacco purchase limits. ^{Cabinet Confidences}

Cabinet Confidences

- A new electronic system will:
 - significantly reduce lost revenue due to ineligible sales \
 - Advice/Recommendations
 - improve the service experience for customers, including First Nations Bands, when making tax-exempt purchases; and
 - streamline the process for on-reserve retailers by eliminating the paper-based process for capturing individual purchases and simplifying monthly reporting to the Ministry.
- Electronic systems are used in other jurisdictions to digitally verify tax exemption eligibility of First Nations customers and indicate whether limits on tobacco purchases have been reached. Eligibility confirmation at point-of-sale limits the risk of fraudulent tax exemptions.
- In April 2020, the Ministry completed phase one of the project which involved information gathering, solution assessment and solution options, as well as engagement with First Nations partners and retailers.
- Engagement with First Nations will continue throughout the remainder of the project to help inform the development and delivery of the digital system.
- Two consultants have been hired following a competitive bid process to support the project:
 - Highway Three Solutions Ltd. to provide all project management services for the project including information gathering, solution assessment and solution options, procurement planning, procurement drafting and solution implementation. Contract value is \$300,000.
 - Indigenuity Consulting Group Inc. to carry out the engagement process with First Nations retailers and partners. Contract value is \$175,000.
- The project will not require operational funding during the software development phase and costs will come from approved capital funding.
 - Government Financial Information
- A Negotiated Request for Proposal was publicly posted to BC Bid on Aug. 31, 2020 and closed on October 6, 2020.
 - Government Financial Information

INFORMATION NOTE

Issue:

- Repatriation of revenue management and technology services to government under the Revenue Services Transition Project.

Background:

- The Ministry of Finance's (FIN) Strategic Contract (Contract) with ESIT Advanced Solutions Inc. (ESIT) for the delivery of revenue management and technology services for MSP premiums and other programs expires on March 31, 2021, with no option for renewal or extension.
- The Contract was signed in November 2004, and provides for:
 - Billing, payment processing, and collection of MSP premiums, ambulance fees, and international student health fees.
 - Mail, payment, and forms processing for all revenue programs in FIN and multiple external stakeholders.
 - Default collection services on student loans, court fines, employment assistance, and several other smaller portfolios.
 - Application management services for several revenue program systems, including maintenance and development services.
 - Maintenance and development of the Revenue Management System that supports billing and collections.
- In June 2019, Government advised ESIT that the contracted services will be moved back into government. The elimination of MSP premiums, effective January 2020, was a key factor in this decision.
- FIN is undertaking a Revenue Services Transition Project (RSTP) to support the move of services to government by March 31, 2021.
- The RSTP team worked with key stakeholders, including the Ministry of Citizens' Services' Strategic Partnerships Office and the Public Service Agency, to ensure the business strategy aligned with government strategy for strategic contracts and labour.
- Services are being transitioned into three areas with government that currently perform similar services:
 - Mail, payment, and forms processing are moving to BC Mail Plus within CITZ
 - Billing and collections are moving the Receivables Management Office within FIN supported by a small procurement with private collections agencies for late stage collections support
 - IM/IT services are moving to the Information Management Branch within FIN supported by a small procurement for specialized IT support
- Although MSP premium billings have ended, there will still be an accounts receivable balance to manage. FIN will utilize private collection agencies to collect the remaining MSP debts. ^{Advice/R}Advice/Recommendations
- The Deputy Ministers' Committee on Procurement and Strategic Contracts has endorsed FIN's strategy as being consistent with the Sourcing Framework presented to Cabinet in June 2018 and funding for the transition was approved by Treasury Board in July 2020.
- FIN will onboard some ESIT employees to deliver ongoing services. Due to the elimination of MSP

premiums as well as some efficiencies that can be leveraged by utilizing corporate technology, ecomme
Advice/Recommendations Advice/R

INFORMATION NOTE

Issue:

- Implementation of the Increased Employment Incentive (IEI)

Background:

- The *StrongerBC* plan released on September 17, 2020 announced a temporary tax rebate program intended to support the economic recovery - the “Increased Employment Incentive”.
 - The IEI provides employers who have recently increased their payroll with a refundable tax credit equal to 15 per cent of the increase in qualifying payroll.
 - The credit applies to qualifying payroll for the final quarter of 2020.
 - Employers would be able to apply for the rebate beginning in March 2021.
- The IEI cannot be provided without authority to pay a refund. In order to provide the incentive, legislation to provide for a payment and associated administrative rules will be required.

Advice/Recommendations; Government Financial Information

- On the day of the *StrongerBC* announcement, the government released a detailed technical backgrounder outlining how the rebate would apply. [Legal Information](#)

[Legal Information](#) The administrative system is being built based on those detailed technical requirements.

- [Advice/Recommendations](#)
- For those employers required to pay the Employer Health Tax (EHT), the credit will be first applied to any EHT outstanding and will be available as a refund to the extent that the credit exceeds the amount of EHT owed.
- Employers that are registered and liable for the EHT will be encouraged to file their 2020 EHT return (due no later than March 31, 2020) before or at the same time as applying for the IEI to ensure there are no delays in receiving their IEI credit and any applicable refund.

INFORMATION NOTE

Issue:

- Implementation of the B.C. PST Rebate on Select Machinery and Equipment

Background:

- The *StrongerBC* plan released on September 17, 2020 announced a temporary provincial sales tax (PST) rebate for select machinery and equipment (PRME).
- The plan indicated that the PRME would be available in respect of all PST paid by incorporated businesses between September 17, 2020 and September 30, 2021 on qualifying investments. Incorporated businesses would be able to apply for the rebate beginning on April 1, 2021.
- Drafting of the regulations which will provide authority for the PRME is underway and will need Cabinet approval by way of an Order in Council.
- To have the PRME available on time, implementation and administration work has begun.

Government Financial Information

- Requirements meetings with developers are underway. The PRME will be administered from the ministry's existing tax administration platform Gentax, also referred to as the Taxpayer Administration and Compliance System (TACS).
- The rebate application will be electronic.
- Corporations that already have active account in TACS (any provincial tax account) and do not involve vehicle purchases, will generally have their applications automatically processed with payments issued within a relatively short period of time (e.g., within 14 days). Applications involve vehicle purchases, will be manually reviewed prior to a payment being issued, resulting in the issuing of payments taking longer.
- Applications by corporations that do not have an active account in TACS will have to go through a separate process to set up an account prior to applying. Decisions are still being made with respect to whether the criteria for manual review of the rebate will be the same as for those corporations with existing accounts.
- Corporations will receive the rebate by way of direct deposit into the corporation's bank account
- Post payment, desk audits will be performed on rebates that were automatically approved. These audits will focus on determining whether all items for which the rebate was applied qualified for the rebate. This may include requesting copies of proof of purchase, lease agreements or other documentation.
- If it is determined that the applicant received an amount of a rebate to which they were not entitled, the ministry will issue an assessment for the repayment of the amount plus any applicable penalties and interest. Assessments may be issued up to 4 years past the date of the payment of the rebate.

MINISTRY OF FINANCE
KEY STAKEHOLDERS

Branch	Organization	Contact	Description	Key Issues
Consumer Taxation Audit Branch (CTAB)	Canadian Federation of Independent Business (CFIB)	Samantha Howard Director (604) 684-5325 Personal Information	Represents over 109,000 small businesses across Canada.	<ul style="list-style-type: none"> • Audits and refunds
Investigations Unit (IU)	Criminal Intelligence Service BC/Yukon	Ryland Wellwood Analytics Manager Personal Information	Coordinates criminal intelligence for police agencies across Canada	<ul style="list-style-type: none"> • Information sharing
IU	Vancouver Police Department	No specific contact	Contraband Tobacco Intel	<ul style="list-style-type: none"> • Information sharing

Branch	Organization	Contact	Description	Key Issues
IU	Insurance Corporation of BC	Marianne Stark Privacy and FOI Advisor Personal Information	Drivers license and vehicle registration	<ul style="list-style-type: none"> Information sharing
IU	Interprovincial and Territorial Investigations Council	Dean Eastman Manager, Intelligence Assessment Unit Investigations Section, Compliance Branch Ministry of Finance Personal Information	Organization of law enforcement delegates from all provinces and territories in Canada	Information sharing and work collaboration
IU	CVSA MOT	Sean Kelly, CVSE Deputy Regional Manager Transportation and Infrastructure Sean.Kelly@gov.bc.ca	Motor Fuel road checks for coloured fuel and IFTA violations	Assistance with road checks on coloured fuel and IFTA offences
IU	RCMP CPIC	Corporal Carla Rivard CPIC Field Operations BC/YT Personal Information	Computerized information storage of criminal violations	Information sharing

Branch	Organization	Contact	Description	Key Issues
Consumer Taxation Programs Branch (CTPB)	South Coast British Columbia Transportation Authority (TRANSLINK)	Adam Bale Director, Financial Planning & Analysis Personal Information	Dedicated taxes collected under the <i>Motor Fuel Tax Act</i> (MFTA)	<ul style="list-style-type: none"> Fuel taxes collected on fuel sold within the South Coast British Columbia transportation service region
CTPB	British Columbia Transit Authority	Megan Hill Director, Budgeting & Forecasting (250) 995-5687 Personal Information	Dedicated taxes collected under the MFTA	<ul style="list-style-type: none"> Fuel taxes collected on fuel sold within the Victoria regional transit service
CTPB	BC Transportation Financing Authority	Gary So Director of Finance (778) 974-5220 Gary.So@gov.bc.ca	Dedicated taxes collected under the MFTA	<ul style="list-style-type: none"> Fuel taxes collected on fuel sold within the Victoria regional transit service
CTPB	British Columbia Trucking Association	Cory Paterson Director of Policy (604) 888-5319 ext. 211 CoryP@bctrucking.com	Representative of the trucking industry	<ul style="list-style-type: none"> Overlap issues related to the <i>International Fuel Tax Agreement</i> (IFTA)

Branch	Organization	Contact	Description	Key Issues
CTPB	ICBC	Leanne Terrillon Sr. Licensing Representative ICBC Prorate / IRP (604) 443-4450 Personal Information	Prorate licensing and administration of the International Registration Plan (IRP)	<ul style="list-style-type: none"> Overlap issues related to the IFTA
CTPB	ICBC	David Puterman Manager Vehicle Reg Policy & Prog Vehicle Registration Programs Insurance Personal Information	Vehicle registration by Autoplan agents and driver's licence information.	<p>Advice/Recommendations</p> <ul style="list-style-type: none"> Information sharing
CTPB	Cowichan Tribes	Cam Fulton A/Comptroller (250) 748-3196 Personal Information	First Nation	<ul style="list-style-type: none"> Tax Agreement for tobacco
CTPB	Western Convenience Store Association	Andrew Klukas President, Western Convenience Stores Association (778) 987-4440 andrew@conveniencestores.ca	<p>Represents the interests of over 7,000 gas and convenience retailers</p> <p>Conducts contraband tobacco studies</p>	<ul style="list-style-type: none"> Contraband tobacco

Branch	Organization	Contact	Description	Key Issues
CTPB	Canada Border Services Agency	Young Kweon Senior Policy Analyst, Other Government Department Programs Commercial and Trade Branch/ Canada Border Services Agency (613) 957-9547 Personal Information	Facilitates and oversees international travel and trade across Canada's border	<ul style="list-style-type: none"> Collects some taxes at the border as an agent for government
CTPB	BC Destination Marketing Association	Nancy Small Personal Information	Works to improve organization and industry performance in the BC communities where destination marketing organizations are active. Works with government and industry groups to further the objectives of enhancing tourism benefits for the province	<ul style="list-style-type: none"> Brings forth questions and concerns from members regarding the Municipal and Regional District Tax
CTPB	Tax Executive Institute (TEI)	Brian Moul Member (604) 623-4508 Personal Information	TEI is comprised of approximately 7,200 professionals who manage the tax affairs of over 2,800 companies across all industry sectors around the world. Many of these members' companies have a business presence and/or sell into British Columbia	<ul style="list-style-type: none"> Various issues and concerns with the consumption taxes that arise on behalf of their members

Branch	Organization	Contact	Description	Key Issues
Income Taxation Branch (ITB)	Canada Revenue Agency	Mireille Laroche – Assistant Commissioner (613) 952-3660 Personal Information	Canada Revenue Agency HQ key point of contact	<ul style="list-style-type: none"> Service Level Agreements, Information Sharing MOUs, and TCA
ITB	Canada Revenue Agency	Ross Ermel Assistant Commissioner, Pacific Region (204) 983-8207 Personal Information	Regional Assistant Commissioner – Stakeholder Relations	<ul style="list-style-type: none"> Stakeholder Relations
ITB	Canada Revenue Agency	Robert Van Iderstine Accounts Executive, Client Relations, Western Region (604) 666-8504 Personal Information	Regional key point of contact – operations	<ul style="list-style-type: none"> Information Sharing, Personal and Corporate Income Tax, Benefit & Tax Credit Programs
ITB	Canada Revenue Agency	Dwayne Horton Manager, Provincial and Territorial Partnerships Section (613) 941-6296 Personal Information	Tax credit and benefit data exchanges. Automated income tax data verification exchanges	<ul style="list-style-type: none"> Benefit and Income Tax Program Compliance

Branch	Organization	Contact	Description	Key Issues
ITB	Creative BC	Bob Wong Vice President & Acting Film Commissioner (604) 730-2236 bwong@creativebc.com	Film certification information to confirm film tax credit claims	<ul style="list-style-type: none"> Film tax credit compliance
ITB	Industry Training Authority	Michelle McKinnon Manager, Apprenticeship Completions Personal Information	Apprenticeship certification to allow students to claim the Training Tax Credit	<ul style="list-style-type: none"> Training Tax Credit compliance
ITB	Canadian Payroll Association	Janet Grossett Manager, Compliance Services and Professional Development (416) 487-3380 ext.127 Personal Information	The professional association, for payroll professionals – Employer Health Tax remitters	<ul style="list-style-type: none"> Employer Health Tax Act – deadlines, issues and taxpayer outreach
ITB	Ministry of Finance Ontario	Sandy Dale – Senior Program Advisory Specialist Personal Information	Employer Health Tax Ontario	<ul style="list-style-type: none"> Multi- Jurisdictional taxation issues

Branch	Organization	Contact	Description	Key Issues
Mineral, Oil, and Gas, Revenue (MOGR)	BC Oil and Gas Commission	Andrew Spence VP, Strategy & Information Services (250) 419-4466 Andrew.Spence@bcogc.ca	Regulates the crude oil, natural gas and pipeline activities in BC.	<ul style="list-style-type: none"> Oil and gas levy program Data collected by the commission is used for administration of crown royalties and freehold taxes.
MOGR	Land Titles and Survey Authority (LTSA)	Jeff Beddoes Senior Deputy Surveyor General (250) 410-0590 jeff.beddoes@ltsa.ca	LTSA is a publicly accountable, statutory corporation with a unique governance structure responsible for administering the land title and survey systems in BC.	<ul style="list-style-type: none"> MOGR relies on the LTSA's ownership records for the purpose of administering the Mineral Land Tax Act.
Property Taxation Branch (PTB)	Land Title and Survey Authority of British Columbia	Al-Karim Kara Vice President, Business Innovation and Chief Information Officer (250) 410-0600 Personal Information	Responsible for administering the land title and survey systems of BC.	<ul style="list-style-type: none"> Collection of the property transfer tax.
PTB	BC Assessment	Lisa Dedeluk Director Communications & Government Relations (250) 595-6211 lisa.dedeluk@bcassessment.ca	Real property assessments for BC.	<ul style="list-style-type: none"> Assessed values are used to determine rural property taxes in BC.

Branch	Organization	Contact	Description	Key Issues
Receivables Management Office (RMO)	Council of Forest Industries (COFI)	Michael Armstrong, RPF, CPA, CA Vice President, Policy and Operations (604) 891-1212 armstrong@cofi.org	The Council of Forest Industries (COFI) is the unified voice of the B.C. interior forest industry the world's most vibrant and sustainable wood products manufacturing sector.	<ul style="list-style-type: none"> • Various issues that arise with industry.
RMO	Timber Sales Advisory Council (TSAC)	Andrea Dixon (250) 387-1236 Andrea.Dixon@gov.bc.ca	The Timber Sales Advisory Council (TSAC) provides a structured forum for stakeholder and BC Timber Sales (BCTS) representatives to consider issues and topics of interest to BCTS clients and customers. The TSAC provides an opportunity to canvass sector views on operational policies and practices, and business practices of BCTS. Members of the council provide advice on a range of policy, legislative and operational matters.	<ul style="list-style-type: none"> • Timber sales
RMO	Truck Loggers Association (TLA)	David Elstone Executive Director Office: (604) 684-4291 ext. 1 Mobile: (604) 740-2814	The Truck Loggers Association is a collective voice in the changes taking place in society and the forest industry. The TLA now represents	<ul style="list-style-type: none"> • Account reconciliation • Timing issues

Branch	Organization	Contact	Description	Key Issues
			independent harvesting contractors, independent sawmills, small tenure holders and industry suppliers located across the coast of BC.	
Revenue Solutions Branch (RSB)	ESIT Advanced Solutions Inc.	Andy Smith Account General Manager, BC Revenue Personal Information	ESIT Advanced Solutions Inc. (previously known as HP Advanced Solutions Inc.) is the Ministry's contracted service provider for revenue management and IM/IT services	<ul style="list-style-type: none"> • Compliance with contractual terms.
RSB	Canada Student Loan Program	Atiq Rahman Director General, Canada Student Loans Program (819) 654 8456 atiqur.rahman@hrsdc-rhdcc.gc.ca Dominic Demers Director, Program Delivery (819) 654-8438 dominic.demers@hrsdc-rhdcc.gc.ca	Administration Integration of student financial assistance as between the Canada Student Loans Program and StudentAid BC	<ul style="list-style-type: none"> • Contract management of the Integration Agreement between FIN, AVED and CSLP • Ensuring the timely

TREASURY BOARD STAFF

Deputy Minister Responsible: Heather Wood

Core Business/ Program Area Description/Critical Business Processes:

Treasury Board Staff (TBS) develops, manages, and produces the Budget and Fiscal Plan, the 10-year Corporate Capital Plan, the Estimates, Quarterly Reports, the Financial and Economic Review, and other related documents.

TBS provides financial management advice to support well-informed decisions by Treasury Board and the Minister of Finance, including advice on economic performance, and management of ministry and agency spending, capital plans and spending, revenue and debt. TBS is responsible for developing the economic forecast as well as the 3-year fiscal plan. TBS also develops revenue and spending forecasts and plans; and makes recommendations to Treasury Board and government on expenditure management and related strategies as needed to keep the fiscal plan on track throughout the year.

TBS supports the operations of Treasury Board meetings throughout the year and advises the Board on budgetary requests and spending management issues brought forward by ministries and other government agencies.

Budget: 2020/21:

\$6.847M

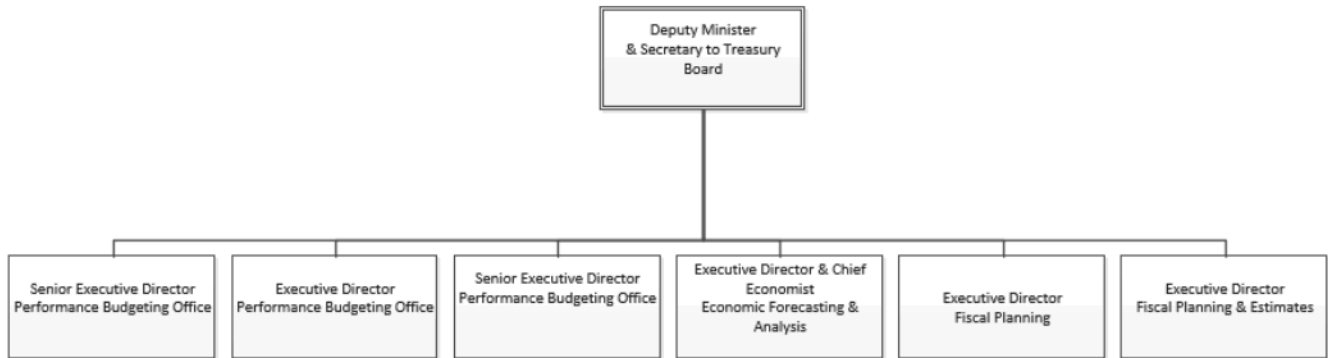
Full Time Equivalent (FTEs):

55.5 FTEs as of September 26, 2020

Related Legislation:

- *Financial Administration Act*
- *Budget Transparency & Accountability Act*
- *Balanced Budget & Ministerial Accountability Act*

Organizational Chart:



30/60/90 DAY DECISIONS

Treasury Board Staff

Ministry Issues

30/60/90	Issue	Division Resp
30	Cabinet Confidences	TBS
30	Economic Forecast Council Meeting	TBS
30	Cabinet Confidences	TBS
30	PartnershipsBC Name Change	TBS
30	Second Quarterly Report	TBS

INFORMATION NOTES
Treasury Board Staff

Corporate Notes

Topic	Division Resp
2020/21 Budget Management	TBS
Annual Financial Reporting Cycle	TBS
Budget Development Process	TBS
Status of the Provincial Capital Plan	TBS
Current Year Fiscal Update	TBS
Introduction to BC's Economy (pre-COVID)	TBS
Treasury Board Overview	TBS

BUDGET MANAGEMENT 2020-21

Ministries are expected to manage all pressures, including costs related to the implementation of government commitments and priorities and the achievement of performance targets, within budget allocations. ^{Cabinet Confidences}

Cabinet Confidences

Ministries are required to work closely with Treasury Board Staff to ensure that any risks to a ministry's budget or potential impacts on the fiscal plan are identified in a timely manner and that mitigation strategies are developed to ensure that ministry budget targets are not compromised. ^{Cabinet Confidences}

Cabinet Confidences

Ministry budgets as per the Budget and Fiscal Plan for 2020/21 – 2022/23 are shown below:

(\$ millions)	Updated Forecast 2019/20 ¹	Budget Estimate 2020/21	Plan 2021/22	Plan 2022/23
Office of the Premier	11	11	11	11
Advanced Education, Skills and Training	2,330	2,366	2,372	2,374
Agriculture	98	95	96	96
Attorney General	611	652	654	662
Children and Family Development	2,068	2,228	2,255	2,259
Citizens' Services	561	552	554	554
Education	6,577	6,697	6,758	6,765
Energy, Mines and Petroleum Resources	180	114	92	92
Environment and Climate Change Strategy	247	245	247	246
Finance	1,160	838	883	975
Forests, Lands, Natural Resource Operations and Rural Development	950	844	856	850
Health	20,846	22,190	23,130	23,875
Indigenous Relations and Reconciliation	108	97	108	108
Jobs, Economic Development and Competitiveness	97	93	94	94
Labour	16	17	17	17
Mental Health and Addictions	10	10	10	10
Municipal Affairs and Housing	828	650	842	812
Public Safety and Solicitor General	932	852	857	863
Social Development and Poverty Reduction	3,568	3,683	3,750	3,798
Tourism, Arts and Culture	164	161	161	161
Transportation and Infrastructure	914	929	932	932
Total ministries and Office of the Premier	42,276	43,324	44,679	45,554

Contingencies

The Minister of Finance is responsible for managing Contingencies vote(s) that support government in managing uncertain or volatile costs within the fiscal plan (e.g. where demand for services is difficult to predict).

For 2020/21, there are currently 3 Contingencies votes:

- Vote 45 Contingencies and New Program Vote
- Vote 52 Contingencies: Pandemic Response and Economic Recovery
- Vote 53 Contingencies: Federal and Provincial Pandemic

Cabinet Confidences

In 2020/21, supplementary estimates were passed to create two new Contingencies votes (Vote 52 and Vote 53 as listed above) to provide government with additional spending appropriation for specific response measures to COVID-19. These votes are also under the authority of the Minister of Finance and require written authorization through the Treasury Board process for ministries to access any supplementary funding.

Expenditure Controls

Government uses spending controls to support prudent and consistent financial management across government. Cabinet Confidences; Government Financial Information

Cabinet Confidences; Government Financial Information

Cabinet Confidences; Government Financial Information

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Cabinet Confidences; Government Financial Information

B.C. ANNUAL FINANCIAL REPORTING CYCLE

Fiscal Roles and Responsibilities

GOVERNMENT & LEGISLATIVE ASSEMBLY

The Government's strategic direction determines how public funds will be used to achieve desired outcomes. The Government is accountable to the Legislative Assembly and the public for its management of the Province's financial resources. In turn, the Legislative Assembly, as the elected representatives of the people, is obligated to ensure the public purse is properly managed and controlled. This obligation forms the basis of the administration of the financial affairs of the Province. Financial administration is established by Treasury Board and Cabinet, under applicable legislation, most significantly the *Financial Administration Act* (FAA).

TREASURY BOARD, MINISTER OF FINANCE & COMPTROLLER GENERAL

Treasury Board and the Minister of Finance have the authority and responsibility to direct the government's financial management policies. The Comptroller General has legislated responsibility under the FAA to develop financial management policy and procedures, and evaluate financial management. Policies and procedures on spending, procurement, and overall direction and control of the financial management function are stated in the Core Policy and Procedures Manual (CPPM), which is reviewed and approved by Treasury Board. CPPM applies to government ministries and offices of the Legislature¹, while other government organizations (such as Crown agency, health authorities, school districts, and universities and colleges) are expected to follow the spirit and intent of the policies.

MINISTRY AUTHORITY AND ACCOUNTABILITY

Within each ministry, the Minister is responsible for the administration of the financial affairs of their ministry, under the general direction of Treasury Board and the Minister of Finance, and within CPPM requirements. Ministers delegate responsibility to their respective Deputy Ministers, who in turn delegate authority to spend funds to specific persons within their ministries.

¹ Independent Offices of the Legislature includes: Office of the Auditor General; Office of the Conflict of Interest Commissioner; Elections BC; Office of the Human Rights Commissioner; Office of the Information and Privacy Commissioner; Office of the Merit Commissioner; Office of the Ombudsperson; Office of the Police Complaint Commissioner; Office of the Representative for Children and Youth.

Financial Legislation

Government's financial governance and administration, including the annual reporting cycle, is guided by legislation, policy, financial planning and budgetary controls. Significant financial legislation includes:

- **FINANCIAL ADMINISTRATION ACT (FAA)** – The *FAA* is the main statute that guides the financial administration process and provides Treasury Board with the authority to make financial decisions on behalf of government. It sets out the financial administration framework for core government covering assets, liabilities, expenditures, revenues, borrowing, lending and investing.
- **BUDGET TRANSPARENCY AND ACCOUNTABILITY ACT (BTAA)** - Outlines the Province's reporting requirements during the financial cycle and imposes specific reporting deadlines or release dates for key financial reports. The BTAA requirements include reporting on the advice of the Economic Forecast Council; presentation of the annual Estimates, Budget and Fiscal Plan, Quarterly Reports, and Public Accounts; publication of Quarterly Reports with revised forecasts; annual three-year service plans and service plan reports for each ministry and government organization; and an annual three-year government strategic plan and report.
- **BALANCED BUDGET AND MINISTERIAL ACCOUNTABILITY ACT (BBMAA)** – The *BBMAA* normally requires government to table a balanced/surplus budget, however, recent amendments in recognition of the economic effects of the pandemic has permitted deficits for the 2021/22 to 2023/24 fiscal years. The *BBMAA* also requires a 20% ministerial salary holdback tied to ministry and government financial targets, with 10% pending the ministry achieving their fiscal target (i.e. remaining within their ministry voted budget) and the remaining 10% pending government achieving 50% of the budgeted surplus. When the budget forecasts a deficit, ministers can still receive the 10% collective holdback if they avoid an actual deficit by year-end.
- **THE SUPPLY ACT & INTERIM SUPPLY ACT**- The annual *Supply Act* provides an appropriation for government to spend equal to the approved budget (as presented in the Estimates). Ministers are responsible for expenditures in accordance with the appropriation terms for their ministry. The *Interim Supply Act* provides preliminary spending appropriation to government in advance of the Estimates debate and the final *Supply Act* being passed in the Legislature.

- **OTHER SUPPLEMENTARY SUPPLY ACTS** – A supplementary supply act (supplementary estimates) may also be approved during a fiscal year. In addition to supply acts, spending authorization for certain specific purposes exists in other legislation, such as the *Wildfire Act*, the *Emergency Protection Act*, and various acts that authorize spending from a Special Account.
- **FINANCIAL INFORMATION ACT** - Requires specified public sector entities to publicly disclose certain financial information.

In addition to statutes relating to financial management, the *Auditor General Act* creates the Auditor General as an Officer of the Legislature who is appointed to audit government’s annual financial statements and to review the economy, efficiency and effectiveness of government’s programs and organizations.

Collectively, this legislation sets the foundation for strong financial accountability and governance in the public sector.

Key Financial Reporting Dates

- The *Budget Transparency and Accountability Act (BTAA)* prescribes public reporting requirements as shown in the Table below.
- Some of the reporting requirements are affected by an election. For example, a quarterly report is not required to be made public if the date for that report falls between the date when an election is called and the date that is 40 days after the appointment of the Premier. Per this rule, the Second Quarterly Report which is due November 30, 2020, is not required to be made public.

Public Requirement	Responsibility	Public Reporting no later than (annually unless otherwise indicated)
Budget Consultation Paper	Minister of Finance	September 15
Budget Consultation Report	Select Standing Committee on Finance and Government Services	November 15
Budget (Main Estimates)*	Minister of Finance	<ul style="list-style-type: none"> • In a non-election year, on or before the Fourth Tuesday in February; • In an election year, on or before the Fourth Tuesday in March, or 120 days after the post-election appointment of the Premier (whichever is later).

Public Requirement	Responsibility	Public Reporting no later than (annually unless otherwise indicated)
Government Strategic Plan	A Minister ²	On or before the date the Main Estimates are presented to the Legislative Assembly
Service Plans for ministries and government organizations	Minister Responsible	On the date the Main Estimates are presented to the Legislative Assembly
Quarterly Reports ³	Minister of Finance	September 15 – Q1 November 30 – Q2 February 28 – Q3 May 31 – for the preceding fiscal year if Estimates for the current year have not been presented to the Legislative Assembly.
Public Accounts	Minister of Finance	August 31
Annual Report on Government's Strategic Plan	A Minister ²	August 31
Annual Service Plan Reports for ministries and government organizations	Minister Responsible	August 31 or 5 months after an organization's fiscal year end
Report on estimated impact on forecast deficit or surplus of greater than \$25 million in any year of the fiscal plan, arising from a change in government composition or to accounting policy/standards	Minister of Finance	As soon as practicable after the change
Major Capital Project Plans (except if disclosure would be harmful)	Minister Responsible	Within one month after a commitment has been made, public information on a major capital project plan stating the objectives of the project, the costs and benefits for the project and the risks associated with those costs and benefits.

* Includes Main Estimates/*Supply Act* appropriations, economic and fiscal forecasts, statement of material assumptions and policy decisions underlying the forecasts, report on the advice of the Economic Forecast Council, signed statement by the Secretary to Treasury Board that the disclosure requirements have been met or an explanation of how requirements have not been met, a statement of adjustments in the final Supply Bill if the fiscal forecast is different than when the Minister believes is the most likely fiscal result, and information on major capital projects (total project cost greater than \$50 million).

² This can be any minister, but by convention, is typically the Minister of Finance.

³ Note: During an election, if the quarterly reporting date falls within the day an election is called and 40 days after a new Premier appointment, a quarterly report is not required to be made public.

Spending Authority

Governments can only spend revenue on authorized expenditures, which is generally authorized in one of three ways:

1. **Main Estimates** through the *Supply Act*, which provides spending appropriation to different ministries and votes as authorized by the Legislative Assembly.
2. **Supplementary estimates** through a *Supplementary Supply Act*, which specifies any additional spending appropriation incremental to the Main Estimates, by ministry and vote, as authorized by the Legislative Assembly.
3. **Statutory spending appropriations** as authorized by a statute. Statutory appropriations generally authorize expenditures that are important for public policy reasons (e.g., required for immediate health and safety or protection of property such as fighting wildfires or the provision of emergency services in response to natural disasters) but which are difficult to forecast or volatile in nature.

Special Accounts also rely on statutory authority to authorize expenditures above the amounts published in the Estimates. A special account is an account in the general fund of the consolidated revenue fund where the authority to spend money from the account is located in an Act other than the Supply Act. Legislation specifies the dedicated revenue sources and eligible expenditures/specific purposes for each special account.

Cabinet Confidences
Cabinet Confidences

BUDGET DEVELOPMENT PROCESS

The *Budget Transparency and Accountability Act* (BTAA) requires government table a budget on or before the fourth Tuesday of February, or in election years, on or before March 23, or within 120 days of a in the appointment of the Premier (whichever date is later).

General Budget Development Timelines

Budgeting is a cyclical process, with management and reporting on the current fiscal year happening concurrently with future year budget planning.

Cabinet Confidences

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Cabinet Confidences

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- In 2020/21, supplementary estimates were passed to create two new Contingencies votes (Vote 52 Contingencies for Pandemic Response and Economic Recovery and Vote 53 for Federal and Provincial Pandemic measures) to provide government with additional spending appropriation to respond to COVID-19. Cabinet Confidences
Cabinet Confidences

STATUS OF THE PROVINCIAL CAPITAL PLAN

Overview

- The Provincial Capital plan is a ^{Cabinet Confidences} that provides capital funding and authorization to proceed with major capital projects within core Government, service delivery agencies and Crown corporations that are part of the broader government reporting entity.
- ^{Cabinet Confidences}
Cabinet Confidences This allows Ministries to manage project cashflow changes within the capital funding provided.
- *Budget 2020* includes \$32.6 billion in capital spending over the three years of the fiscal plan period (2020/21 to 2022/23).
- This total capital investment is divided between taxpayer supported (\$22.9 billion) which includes projects in the Education, Health, Transportation, Housing and core Government sectors and self- supported (\$9.7 billion) which includes projects in Crown Corporations (i.e. BC Hydro) and other self-sustaining agencies (i.e. Liquor Distribution Branch).
- Appendix A provides a summary of *Budget 2020* total capital investment by sector.
- In the First Quarterly Report, fiscal 2020/21 total capital spending projection was revised to \$10.4 billion, \$148 million lower than projected in Budget 2020.
- The lower projections were due to timing changes in procurement and capital spending for transportation and health projects; offset slightly by increased spending on supportive housing and School District funded projects (see Appendix B).
- Decreases in capital spending generally are not indicative of project cancellations but rather changes in timing of project delivery and completion. Increases in capital spending can also occur due to increased investments from agency funding and additional contributions from external agencies such as Health foundations.
- Priority projects with a capital cost of over \$50 million must be publicly disclosed by the Ministry / Minister responsible, as required in the *Budget Transparency and Accountability Act*, once Government has approved the project's business case. Public disclosure includes both a release of a major capital project plan and inclusion within the Government's next public financial report.

Budget 2021 Capital Process

Cabinet Confidences

¹ Capital Ministries are Provincial Ministries that have either primary responsibility to deliver a capital program on behalf of Government or have a large sector that requires capital investment (i.e. SUCH sector). These Ministries include: Advanced Education, Skills and Training (Post Secondary Sector), Education (School Districts), Health (Health Authorities), Transportation, Citizen Services (core Government) and Municipal Affairs and Housing (BC Housing). Other Ministry capital funding requirements are managed through the regular Budget process.

Appendix A: Budget 2020 Total Capital Spending

(\$ millions)	2020/21	2021/22	2022/23	Total
Taxpayer-supported				
Education K-12	994	966	804	2,764
Education Post Secondary	977	1,046	1,064	3,083
Health	1,862	1,723	2,776	6,361
BC Transportation Finance Authority	1,870	2,418	2,477	6,765
BC Transit	184	166	252	602
Government ministries	569	455	431	1,454
Social housing	578	479	395	1,452
Others	92	146	196	434
Total Taxpayer-supported	7,126	7,399	8,390	22,915
Self-supported				
BC Hydro	3,092	2,970	2,905	8,966
Columbia River Power	14	16	24	54
BC Rail	10	4	2	17
ICBC	116	64	56	236
BC Lotteries	105	110	90	305
Liquor Distribution Branch	72	40	42	153
Total Self-supported	3,409	3,204	3,119	9,732
Total	10,535	10,603	11,509	32,647

Appendix B: 2020/21 First Quarterly Report Update

(\$ millions)	2021 / 22		
	Budget	Forecast	Variance
Taxpayer-supported			
Education K-12	994	1,043	49
Education Post Secondary	977	951	(26)
Health	1,862	1,810	(52)
BC Transportation Finance Authority	1,870	1,713	(157)
BC Transit	184	131	(53)
Government ministries	569	569	-
Social housing	578	702	124
Others (below)	92	96	4
Total Taxpayer-supported	7,126	7,015	(111)
Self-supported			
BC Hydro	3,092	3,092	-
Columbia River Power	14	8	(6)
BC Rail	10	11	1
ICBC	116	116	-
BC Lotteries	105	105	-
Liquor Distribution Branch	72	40	(32)
Total Self-supported	3,409	3,372	(37)
Total	10,535	10,387	(148)

CURRENT YEAR FISCAL UPDATE

The Minister of Finance issued the *First Quarterly Report* on September 10, 2020, presenting changes to the forecasts from *Budget 2020*. Prior to this, the minister provided an economic and fiscal update in July, which was a first high-level look at the changes since the February budget. The *First Quarterly Report* reflected the unprecedented impacts of the COVID-19 pandemic on government's revenues and the cost of the expense measures implemented to support critical health and social services, provide immediate financial relief to individuals and businesses, and to help boost economic recovery. The changes in revenue and expense forecasts and an increased forecast allowance result in a \$13 billion forecasted deficit for fiscal year 2020/21.

Compared to Budget 2020, revenue forecasts were lower by \$4.6 billion, reflecting lower revenue from taxation sources, natural resources, fees, investment earnings, miscellaneous sources and commercial Crown corporation net income, which were partly offset by increases in federal government contributions.

Expenses were forecast higher by \$7.7 billion due to spending related to the COVID-19 pandemic, authorized through supplementary estimates and statutory appropriations.

The forecast for capital spending decreases for the year are due to changes to the timing of projects.

The provincial taxpayer-supported debt forecast was higher by \$10.6 billion due to the anticipated deficit for the year. The higher debt level will result in increased debt-metrics, with debt-to-GDP projected at 20.8%, and debt-to-revenue at over 110% at the end of this fiscal year.

Updated 2020/21 Financial Forecast

(\$ millions)	Budget 2020	First Quarterly Report	Change
Revenue	60,585	56,013	(4,572)
Expense	(60,058)	(67,805)	(7,747)
Forecast allowance	(300)	(1,000)	(700)
Surplus (deficit)	227	(12,792)	(13,019)
Capital Spending:			
Taxpayer-supported capital spending	7,126	7,015	(111)
Self-supported capital spending	3,409	3,372	(37)
	10,535	10,387	(148)
Provincial Debt:			
Taxpayer-supported debt	49,202	59,802	10,600
Self-supported debt	26,890	27,068	178
Total debt (including forecast allowance)	76,392	87,870	11,478
Taxpayer-supported debt to GDP ratio	15.5%	20.8%	5.3%
Taxpayer-supported debt to revenue ratio	84.1%	110.6%	26.5%

The *First Quarterly Report* update was based on a revised economic forecast of B.C. real GDP developed by Treasury Board Staff. The forecast is for B.C.'s real GDP to contract by 6.7 per cent in 2020, before expanding by 3.0 per cent in 2021. *Budget 2020* was based on real GDP growth of 2.0 per cent in 2020 and 1.9 per cent in 2021.

Typically, the Ministry surveys the 13-member Economic Forecast Council (EFC) during the annual budget process. However, given the unprecedented economic impacts and uncertainty caused by the COVID-19 pandemic this year, the Ministry decided to resurvey the EFC in advance of the *First Quarterly Report*. This is different from the average of six private sector forecasters that is typically presented. In recognition of various significant downside risks to the economic outlook, the Ministry's forecast for B.C. real GDP growth was 0.7 percentage points lower than the average outlook of the EFC for 2020 (-6.0%) and 2.2 percentage points lower for 2021 (EFC average of 5.2%). This differential is one of the levels of prudence built into the fiscal plan.

Next Steps in the Current Year Reporting Cycle

Cabinet Confidences

The following pages include the following excerpts from the *First Quarterly Report, 2020/21*:

- Summary/introduction (pg. 3-4)
- Topic Box: COVID-19 Pandemic Spending & Related Measures (pg. 13-16)
- July 14 Economic and Fiscal Update (pg. 17)
- Appendix A: Description of Measures (pg. 43-47)

Introduction

Table 1.1 2020/21 Forecast Update

(\$ millions)	Budget 2020	First Quarterly Report	Change
Revenue	60,585	56,013	(4,572)
Expense	(60,058)	(67,805)	(7,747)
Forecast allowance	(300)	(1,000)	(700)
Surplus (deficit)	227	(12,792)	(13,019)
Capital Spending:			
Taxpayer-supported capital spending	7,126	7,015	(111)
Self-supported capital spending	3,409	3,372	(37)
	10,535	10,387	(148)
Provincial Debt:			
Taxpayer-supported debt	49,202	59,802	10,600
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Total debt (including forecast allowance)	76,392	87,870	11,478
Taxpayer-supported debt to GDP ratio	15.5%	20.8%	5.3%
Taxpayer-supported debt to revenue ratio	84.1%	110.6%	26.5%

In response to the major changes resulting from the COVID-19 pandemic, on July 14, 2020 the B.C. Ministry of Finance released an economic and fiscal update. An overview of the difference between the July 14 fiscal scenario and the *First Quarterly Report* is provided on page 17.

Consistent with previous years, the *First Quarterly Report* presents changes to forecasts from *Budget 2020*. Due to the high degree of uncertainty regarding the depth and duration of the economic downturn caused by the pandemic and the path of recovery, the *First Quarterly Report* presents a forecast update for the current fiscal year only.

The fiscal forecast for 2020/21 in this *First Quarterly Report* reflects the unprecedented impacts of the COVID-19 pandemic on almost all of the province's revenue streams, and the additional expenses for the response measures implemented to support critical health and social services, provide immediate financial relief to individuals and businesses, and to help boost economic recovery. Compared to *Budget 2020*, revenue forecasts are lower by \$4.6 billion and expenses are higher by \$7.7 billion. The provincial operating deficit projection is \$12.8 billion, after incorporating an increased forecast allowance of \$1.0 billion to reflect the heightened level of uncertainty over the remainder of the year. Details of the revenue and expense forecast changes from *Budget 2020* are shown in Table 1.2.

The updated forecast includes \$2.4 billion of federal government funding related to supporting British Columbians impacted by the COVID-19 pandemic. The forecast does not include the recently announced federal government funding of \$2.0 billion to help provinces and territories open schools safely. B.C.'s share of this funding is estimated to be \$242 million, provided in two instalments: the first in the fall and the second in early 2021. At this time, it is not certain how much of the second instalment will be spent in

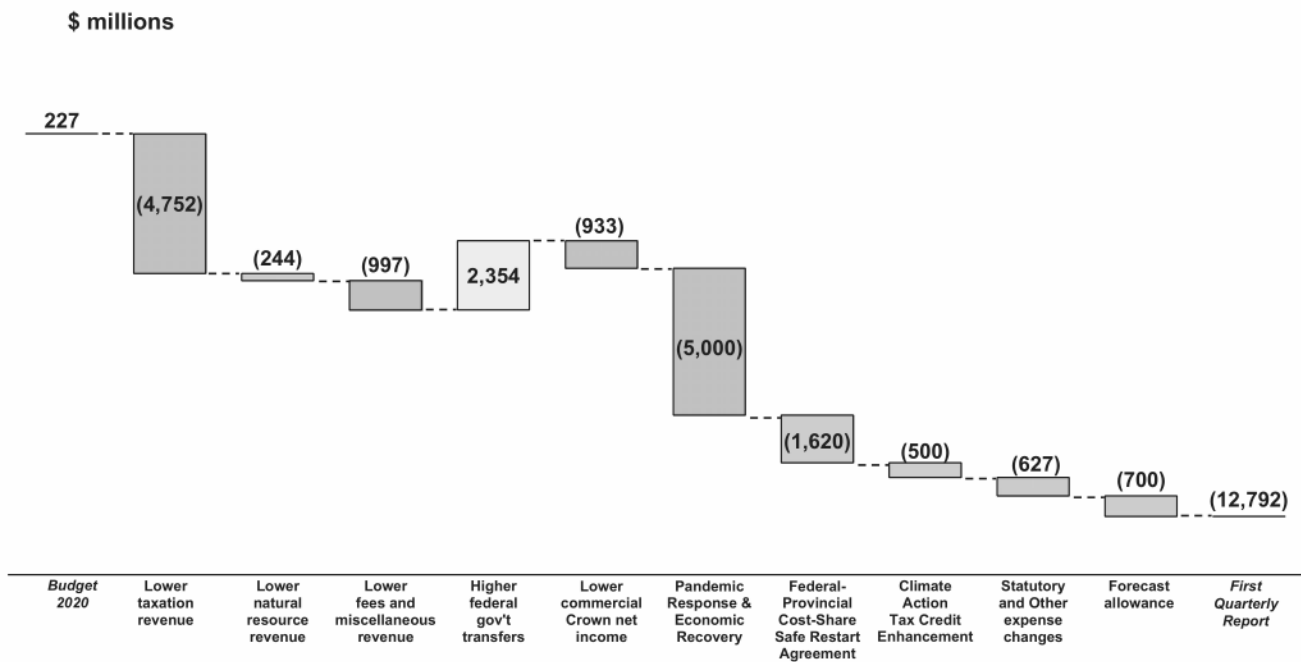
fiscal 2020/21 versus during the school year, but after March 31, 2021. It is expected that this funding also represents additional spending with no impact to the operating deficit. The fiscal update in the *Second Quarterly Report* will incorporate this additional federal government support for reopening schools safely as more detailed provincial spending plans are developed.

Projected taxpayer-supported capital spending in 2020/21 is \$7.015 billion, which is \$111 million lower than forecast in *Budget 2020*, mainly due to timing of projects in the transportation sector. The self-supported capital spending forecast is \$37 million lower than at *Budget 2020*.

As a result of lower revenue and increased spending forecasts, taxpayer-supported debt at the end of 2020/21 is forecast at \$59.8 billion, an increase of \$10.6 billion compared to the *Budget 2020* forecast. Self-supported debt is forecast to be \$178 million higher at the end of 2020/21.

Chart 1.1 2020/21 Surplus (Deficit) – Major Changes from *Budget 2020*

Decline of \$13.0 billion resulting in a \$12.8 billion deficit



COVID-19 Pandemic Spending & Related Measures

This section provides an overview of the Province's pandemic response measures, including an update on notional allocations from the \$5 billion Pandemic Contingencies vote as of August 31, 2020, as well as a summary of tax and payment relief and deferral measures. This enhanced reporting follows the presentation of information set out in the July 14 Economic and Fiscal Update. This section also includes estimated spending through the first quarter only (April - June, 2020) on COVID-19 related programs.

Vote 52 Contingencies (All Ministries): Pandemic Response and Economic Recovery

On March 23, 2020, the Legislative Assembly authorized supplementary estimates of \$5 billion and a new Vote 52 - Contingencies for Pandemic

Response and Economic Recovery (Pandemic Contingencies). Government has notionally allocated \$3.5 billion of the \$5 billion Pandemic Contingencies for critical services and financial relief measures and has set aside \$1.5 billion for economic recovery measures that will be announced in September 2020.

Critical services include health and mental health related response, supports for child care providers, and providing essential social services to vulnerable populations such as adults with developmental disabilities, people experiencing homelessness, and children, youth and young adults receiving provincial supports. This category of spending also includes \$46 million in funding for the K-12 education sector to support school restart activities (but does not yet include any additional funding that may be provided from the federal government).

Table 1 – Vote 52 Pandemic Contingencies Notional Allocations as of August 31, 2020

Category	Notional Allocation	Measures
Critical services	Over \$1 billion	Health and mental health
	\$254 million	Child care services
	\$158 million	Temporary housing, meals and supports for vulnerable populations
	\$56 million	Essential services for adults with developmental disabilities, vulnerable children and youth, family justice and victim services, and public health communications
	\$46 million	K-12 Education – safe return to school funding
Financial supports	\$900 million	B.C. Emergency Benefit for Workers
	\$685 million	Crisis Supplement and other supports for income and disability assistance clients
	\$150 million	Temporary Rental Supplement
	\$79 million	Canada Emergency Commercial Rent Assistance Program
	Over \$70 million	Emergency financial relief for organizations providing animal care, the agriculture sector, park operators and community tourism organizations, Domestic Motion Picture providers, local sports organizations and B.C. Pavilion Corporation.
Economic Recovery	\$1.5 billion	Measures to be announced in September 2020
Total	\$5 billion	Pandemic Contingencies Spending Measures

Financial relief measures include income supports, such as the B.C. Emergency Benefit for Workers, and the crisis supplement for income and disability assistance clients including low-income seniors. Measures also include rental relief assistance for individuals, families and businesses, and targeted financial relief for a number of sectors.

Details on the Pandemic Contingencies notional allocations as of August 31, 2020 are shown in Table 1. The key changes from the July 14 update include:

- Updated forecast of \$900 million for the B.C. Emergency Benefit for Workers;
- Updated forecast of \$685 million for the crisis supplement and other income assistance supports, which was extended to December;
- \$106 million for the Pandemic Pay has been removed, as the full provincial and federal amount (\$425 million) will be funded through statutory spending as per Table 2; and
- \$46 million for K-12 return to school funding added.

Descriptions of all measures can be found in Appendix A (pages 43-47).

Actual expenditures through Q1 for Pandemic Contingencies measures totalled \$1.036 billion. This includes:

- \$606 million for the B.C. Emergency Benefit for Workers;
- \$233 million for the crisis supplement;
- \$178 million for child care services; and
- \$19 million across a number of other measures including agriculture supports, supports for vulnerable children and youth, and mental health services.

Note that first quarter actual spending (April - June, 2020) is based on unaudited ministry reports and subject to normal changes from quarterly estimation and adjustment processes.

There was also nearly \$18 million of COVID-19 related expenditures from ministry base budgets in the April - June, 2020 period.

Vote 53 Contingencies (All Ministries): Federal and Provincial Pandemic Support

On July 16, 2020, the federal, provincial and territorial governments announced plans for a Safe Restart Agreement, which aims to support the reopening of provincial and territorial economies over the next six to eight months.

Under the Agreement, the federal government has committed \$19 billion in funding for seven priority areas, with close to \$2 billion allocated for B.C. While some of the federal funding will be used to offset the cost of continuing significant measures in B.C. that are already underway or planned, part of the agreement requires 50/50 provincial/federal cost-sharing. This relates specifically to municipal and transit-related relief and restart measures.

On August 14, 2020, the Legislative Assembly authorized Vote 53 Contingencies (All Ministries): Federal and Provincial Pandemic Support. The new Vote 53 Contingencies provides up to \$1 billion net spending appropriation for the Province to support the cost-share arrangement for municipal and transit funding, and other pandemic priorities.

Preliminary spending allocations for Vote 53 are \$810 million for municipal and transit related restart supports, however, detailed spending allocations are still under development.

Other COVID-19 Response and Relief Measures

In addition to the new \$5 billion Pandemic Contingencies spending measures, government has implemented a number of other measures which include tax and revenue measures, and statutory spending related to COVID-19.

Tax measures include a reduction in school tax for commercial properties by an average of 25 per cent in the 2020 calendar year and the one-time Climate Action Tax Credit enhancement. Government has also delayed the scheduled increase to the carbon tax rate and other new *Budget 2020* tax measures.

Revenue relief measures include temporary wholesale pricing model for restaurants, bars and tourism operators with liquor licences, and ICBC payment relief and deferral measures.

Statutory spending directly related to COVID-19 includes funding for the Pandemic Pay for frontline workers in health and social sectors (a federal-provincial cost-sharing initiative), hotel purchases to support homelessness response measures, and spending related to COVID-19 emergency coordination and response.

Government also approved revised spending targets for the Forest Enhancement Society of BC to ensure its tree planting continues as planned to secure future economic and environmental benefits while meeting the new COVID-19 related guidelines for industrial camps.

The estimated provincial value of these measures is nearly \$1.8 billion as shown in Table 2.

Government has also implemented payment deferral measures to provide administrative and financial relief to individuals, businesses and municipalities. This includes a six-month moratorium on student loan collection, BC Hydro bill relief for residential and commercial customers, and bill deferrals for industrial customers and deferred school tax remittance for municipalities. It also included short-term deferrals on stumpage fees between May 1, 2020 to July 31, 2020, of which, an estimated \$2 million was deferred and has since been repaid. Government has also provided administrative relief by extending tax filing and payment deadlines for the employer health tax, provincial sales tax, municipal and regional district tax on short-term accommodation, tobacco tax, motor fuel tax, and carbon tax.

The values of eligible deferrals continue to be estimated at over \$6.2 billion as shown in Table 3. As these payments are expected to be received at a later date, they do not directly impact the fiscal

Table 2 – Other Response and Temporary Relief Measures

Estimated Cost	Measure
\$714 million	Reduced school tax for commercial properties for the 2020 calendar year (\$566 million in fiscal 2020/21)
\$500 million	Climate Action Tax Credit one-time enhancement
\$106 million (\$425 million federal-provincial)	Pandemic Pay for Frontline Workers
\$111 million	Purchase of hotels to house decamped homeless populations
\$268 million	Delays to increase the carbon tax rate and other new tax measures
\$44 million	<i>Emergency Program Act</i> – COVID-19 related coordination and measures
\$26 million	Temporary wholesale pricing model for liquor licensees
\$17 million	ICBC temporary fee relief measures
\$11 million	Forest Enhancement Society of BC – tree planting camps
\$1.797 billion	Provincial Total for Other Response and Temporary Relief Measures

plan. There may be payment defaults on some of these revenues owed to government, depending on the breadth and duration of the pandemic, as well as consumer and business confidence and behaviour. As cash payments are received starting in October, any adjustments related to doubtful

accounts will be made if necessary and incorporated into future quarterly report forecasts. The *First Quarterly Report* update includes an additional \$10 million provision for doubtful accounts related to forest revenues, which is unrelated to deferral measures.

Table 3 – Payment Deferral Measures (no direct operating fiscal impact)

Estimated value of deferral	Measure
\$70 million	Six-month moratorium on student fee collection
\$103 million	BC Hydro bill deferrals for industrial customers and bill relief measures
Over \$1 billion	Postponing municipal remittance date for school taxes to the end of the calendar year
Over \$5 billion	Extending tax filing and payment deadlines for the employer health tax, provincial sales tax, municipal and regional district tax on short-term accommodation, tobacco tax, motor fuel tax, and carbon tax.
Over \$6.2 billion	Total Value of Deferrals

July 14 Economic and Fiscal Update

In response to the major changes resulting from the COVID-19 pandemic, on July 14, 2020 the B.C. Ministry of Finance released an economic and fiscal update. Given the limited data available at the time and various elements of uncertainty regarding the depth and duration of the economic slowdown, a scenario was developed to provide a possible economic and fiscal outcome for B.C. for 2020-2021.

The *First Quarterly Report* confirms the revenue declines in taxation, natural resources, and other sources that were anticipated on July 14. However, the overall impacts on revenues and expenses are lower, with a \$5.7 billion decline from *Budget 2020* compared to a \$6.3 billion decline shown in the July 14 scenario.

Other changes since the scenario update include funding from the federal-provincial Safe Restart Agreement with the related provincial spending for the cost-shared initiatives, increased statutory spending, and lower interest expense due to lower debt and interest rate projections.

Table 1.3 2020/21 Q1 Forecast and July 14 (Scenario) Changes from Budget 2020

	(\$ millions)		
	July 14	Q1	Difference
Effects of COVID-19 and other changes			
Personal income tax revenue	(999)	(978)	21
Corporate income tax revenue	(973)	(1,144)	(171)
Provincial sales tax revenue	(1,305)	(986)	319
Employer health tax revenue	(238)	(148)	90
Fuel tax revenue	(117)	(75)	42
Carbon tax revenue	(265)	(164)	101
Property tax revenues	(40)	(128)	(88)
Property transfer tax revenue	(425)	(315)	110
Natural resource revenues	(293)	(244)	49
All other CRF revenues	(77)	(76)	1
Refundable tax transfers (tax credits)	141	86	(55)
Commercial Crown corporation net income	(882)	(890)	(8)
Taxpayer-supported agency impacts	(869)	(632)	250
	(6,342)	(5,694)	661
Pandemic Response Measures			
Pandemic Response & Economic Recovery	(5,000)	(5,000)	-
Provincial portion of the Cost-Share Safe Restart Agreement	-	(810)	(810)
Federal portion of the Cost-Share Safe Restart Agreement	-	(810)	(810)
Enhancement of the Climate Action Tax Credit	(500)	(500)	-
COVID-19 temporary pandemic pay	-	(425)	(425)
Other business relief and tax measures	(733)	(877)	(144)
Federal government COVID-19 related funding ¹	-	2,376	2,376
Statutory and other spending	-	(496)	(496)
Management of Public Debt	(176)	(83)	93
Total changes compared to Budget 2020	(12,751)	(12,319)	445
<i>Budget 2020</i> Operating Surplus	227	227	-
Increased Forecast Allowance	-	(700)	(700)
2020/21 Q1 deficit forecast	(12,524)	(12,792)	(255)

¹ Includes \$810 million for municipal and transit funding, part of the \$1,963 million Safe Restart Agreement; \$371 million for pandemic pay; and \$42 million for closure and restoration of orphan wells.

Appendix A: Description of Measures

Pandemic Contingencies Spending Measures

Health care (over \$1 billion): Funding related to health related COVID-19 response measures includes:

- Increased lab testing, including the establishment of over 80 separate testing sites to help avoid the transmission of COVID-19 within existing health care settings;
- Additional funding for long-term care and assisted living facilities, including addressing increased COVID-19 related costs, implementing single-site work orders to help prevent the spread of disease between facilities, and hiring of up to three full-time equivalent staff at each of the 584 facilities;
- Prevention and contact tracing measures, including plans to hire 500 contact tracers between September 2020 and March 2021 to help with the projected rise in cases of COVID-19;
- Health related costs wrap-around support services for those that were living in unsafe decampments who have been moved to temporary housing;
- Free parking at health authority sites to remove barriers to anyone who needed access and reduce the burden on health care workers; and
- Other increased operating costs including personal protective equipment, accelerating rescheduled surgeries, and increased staffing across the health spectrum from general screening staff at health facility entrances to specialist physicians and nurses, and staff within the BC Center for Disease Control.

Mental health and addictions support (\$21 million): Funding includes mental health supports such as expanded virtual mental health supports including free online, video and phone-based skills-building for seniors, adults and youth and a Mobile Response Team to support the mental well-being and psychological safety of front-line health-care workers. In addition, this includes a number of addiction support services such as:

- Opioid response and addictions supports including funding for supportive recovery providers, and youth substance use treatment services;
- Youth supports provided through Foundry and Foundry Virtual which offer health and wellness resources, services and supports online and through integrated service centres;
- Scaling up existing overdose prevention services and adding new outreach teams to further help prevent overdose deaths, including opening 17 new supervised consumption services and 12 new inhalation services in communities that have been hit the hardest by the overdose crisis;
- Funding to hire 42 new full-time registered nurses, psychiatric nurses, social workers and peer support workers for 14 interdisciplinary outreach teams across the province;
- The Lifeguard application, which supports individuals with addictions with a means to call emergency services if they become unresponsive while using substances; and
- Rapid Access to Consultative Expertise Line to support first responders with overdose health emergencies physicians treating patients with substance use disorders.

Child care services (\$254 million): Temporary emergency funding provided from April to August to ensure child care spaces remained available for essential service workers and to provide financial relief and preserve spaces for parents during any temporary closures. Licensed child care providers that stayed open received funding to keep operations going. These centres were eligible to receive seven times their average monthly funding from government which is expected to cover approximately 75 per cent of a group facility's average monthly operating expenses. Licensed child care providers that closed were eligible to receive two times their average monthly government funding which is expected to cover approximately 20 per cent of an average group facility's monthly operating expenses.

Temporary housing, meal and health supports for vulnerable populations (\$158 million): Spaces at hotels, motels and community centres are assisting a range of people, including people experiencing homelessness, to self-isolate and follow health orders as well as receive food and support services. In addition to funding for these supports, the Province has made capital investments (approximately \$111 million) to purchase hotels to help move people living in unsafe, dense encampments at Oppenheimer Park, Pandora Avenue and Topaz Park into safe spaces. Nearly 3,300 leased spaces are currently secured at sites throughout B.C.'s health regions to enable safe physical distancing in homeless shelters and help people self-isolate, with close to 300 spaces in communities secured for people leaving violent or unstable situations.

Essential services for adults with developmental disabilities and for vulnerable children and youth (\$56 million): Funding to ensure continuity of services for adults with developmental disabilities receiving care from Community Living BC. Funding will provide a range of supports for children and youth that access provincial supports, including: \$225 per month for eligible B.C. families with children with special needs to September 30, 2020, continuing existing care-giver arrangements for youth aging out of foster care, and extending the maximum duration of Agreements with Young Adults program beyond 48 months. Other essential service supports include funding to facilitate virtual court proceedings and accelerate the resolution of family law matters, supports for victim services, and COVID-19 related public awareness campaigns to communicate health and safety information.

K-12 Education – Return to School Funding (\$46 million): Funding to support and ensure the health and safety of students and staff in the K-12 education sector, including school districts and independent schools, to restart in the fall. This investment will ensure the increased cleaning of high-contact surfaces, increased number of hand-hygiene stations and the availability of masks upon request, among other safety measures.

B.C. Emergency Benefit for Workers (\$900 million): Provides a one-time, tax-free \$1,000 payment to British Columbians who are losing income because of COVID-19. B.C. residents who lost their employment or self-employment income for reasons related to COVID-19 on or after March 1 and that are eligible for the Canada Emergency Response Benefit (CERB) are eligible for the B.C. Emergency Benefit for Workers. Over 600,000 British Columbians to date have received the benefit.

Crisis Supplement and Supports for Income and Disability Assistance Clients

(\$685 million): Temporary supplement of \$300 per month for income and disability assistance clients, including low-income seniors receiving the Seniors Supplement, from April through December. This new emergency funding was put in place to ensure that those in greatest need do not encounter additional barriers while some service organizations closed or reduced service hours during the pandemic, and to help cover the increased costs of food and shelter. Over 200,000 people, including clients and their families, have benefited from the crisis supplement. Other measures include increased funding for the transportation supplement and temporary earning exemptions related to federal support measures such as the Canada Emergency Response Benefit (CERB) to ensure that provincial supports are not reduced due to these supports.

Temporary Rental Supplement (\$149 million): A new temporary rental supplement of \$500 per month for eligible households with dependents and \$300 per month for eligible households with no dependents. The rental supplement is available for the months of April through to August on a per-household basis for low-to-middle income households where the income has been affected by COVID-19. Over 81,000 applications have been approved for the supplement to date.

Canada Emergency Commercial Rent Assistance Program (\$79 million): A federal-provincial cost share program that provides forgivable loans to qualifying commercial property owners to cover 50 per cent of monthly rent payments that are payable by eligible small business tenants who are experiencing financial hardship during April, May, June and July. The loans will be forgiven if the mortgaged property owner agrees to reduce the small business tenants' rent by at least 75 per cent under a rent forgiveness agreement, which will include a term not to evict the tenant while the agreement is in place. The small business tenant would cover the remainder, up to 25 per cent of the rent.

Emergency financial relief for businesses/sectors (over \$70 million): Targeted funding to support businesses, non-profit organizations and sectors which includes:

- Emergency funding to support the continued care of animals in major facilities, tourism attractions, and refuge and re-habitation centres that have reduced their operations due to COVID-19;
- Financial relief and recovery for the agriculture sector, as well as temporary accommodations for domestic migrant farm workers to support self-isolation and reduce the spread of COVID-19;
- Support for park operators to prepare B.C. parks for reopening and to implement a day use reservation system for 12 high-use parks;
- Financial relief to Community Destination Marketing Organizations to offset Municipal Regional District Tax (MRDT) revenue loss and to support local recovery efforts;
- Support for the domestic film and television industry to support restart and recovery and maintain B.C.'s competitive motion picture sector;
- Financial relief to Local Sport Organizations (LSOs) to support their administration and operational needs to help restart in sports; and
- Financial relief for B.C. Pavilion Corporation to maintain operations during prolonged closures of major events.

Statutory Spending, Tax and Other Relief Measures

Reduced school tax for commercial properties for the 2020 calendar year (\$714 million for calendar year 2020, or \$566 million for fiscal 2020/21): Reduced the school property tax rate for commercial properties (property classes 4, 5, 6, 7, and 8) to achieve an average 25 per cent reduction in the total property tax bill for most businesses for the 2020 calendar year.

B.C. Climate Action Tax Credit one-time enhancement (\$500 million): Approximately 80 per cent of British Columbians will benefit from a one-time enhancement to the B.C. Climate Action Tax Credit in July 2020 of up to \$174.50 for adults and up to \$51.25 per child. With this enhancement and the regular credit amount, an eligible family of four will receive a combined payment of up to \$564 and eligible individuals will receive a combined payment up to \$218. This boosts the regular Climate Action Tax Credit payment of up to \$112.50 per family of four and up to \$43.50 per adult.

Temporary Pandemic Pay (\$425 million: \$106 million provincial, \$319 million federal): This is a federal-provincial cost share program to provide a one-time temporary wage boost that supports health, social services and corrections employees delivering in-person, front-line care during the COVID-19 pandemic. Pandemic pay will benefit over 250,000 frontline workers in health and social services by providing an hourly wage boost over the 16-week period starting on March 15, 2020, during the height of the Province's initial response to the pandemic.

Delays to increase the carbon tax rate and other new tax measures (\$268 million): Postponing the scheduled increase to the carbon tax rate, delaying the implementation of the PST on sweetened, carbonated drinks, and delaying changes to PST registration requirements to April 1, 2021.

Hotel purchases – Housing Priority Initiatives (HPI) Special Account (\$111 million): To provide temporary housing for those formerly living in the encampments in Oppenheimer Park, Pandora Avenue and Topaz Park, the Province purchased the following four hotels:

- Comfort Inn (Victoria) – approx. \$19.6 million
- Paul's Motor Inn (Victoria) – approx. \$14.5 million
- Howard Johnson Hotel (Vancouver) – approx. \$56.9 million
- Buchan Hotel (Vancouver) – approx. \$19.7 million

Statutory spending under the HPI special account for the hotels (and related closing costs) will support temporary housing for those formerly living in the encampments and the transition plan to long-term housing, which is currently under development.

Emergency Program Act (EPA) – COVID-19 related costs (\$44 million): The Province anticipates statutory spending above the voted allocation to manage emergency costs within scope of the act. This includes an estimated \$44 million for COVID-19 related emergency management costs such as costs related to managing emergency operations centres to support provincial, regional and local coordination, and emergency measures to support returning travellers and temporary foreign workers with self-isolation requirements.

Temporary wholesale pricing model for liquor licensees (\$26 million): Wholesale pricing model that will allow liquor licensees, such as restaurants, bars and tourism operators, to purchase beer, wine and spirits at reduced cost from the end of July 2020 to March 31, 2021.

ICBC temporary fee relief measures (\$17 million): Temporary changes in effect to August include:

- Waiving the \$30 fee when you cancel insurance
- Waiving the \$18 plating fee when you choose to reinstate the policy on your vehicle
- Suspension of insurance for fleet vehicle customers

Forest Enhancement Society (\$11 million): Revised spending targets for the Forest Enhancement Society to ensure that its tree planting continues as planned to secure future economic and environmental benefits while meeting the new COVID-19 related guidelines for industrial camps.

Six-month moratorium on student fee collection (\$70 million in deferrals): Starting March 30, 2020, all B.C. student loan repayments are automatically frozen until September 30, 2020.

BC Hydro bill deferrals for industrial customers and other relief measures (\$103 million): Qualifying major industrial customers, like pulp and paper mills and mines, can defer 50 per cent of their bill payments for six months, to the end of August 2020. In addition, the industrial relief includes bill relief to certain large industrial customers in the form of reduced demand charges. BC Hydro is also providing bill relief and credit to residential and commercial customers.

Stumpage Fee Deferrals (\$2 million): To support companies with financial liquidity while navigating through the COVID-19 crisis, a stumpage fee deferral was available to Tree Farm, Replaceable Forest, and First Nations Woodlands licence holders. The deferral period was for 3 months (May 1, 2020 to July 31, 2020) and interest accrued on any outstanding balances that carried through the deferral period. The revenue deferred from this program was estimated at \$2 million and has since been repaid.

Postponing municipal remittance date for school taxes to the end of the calendar year (over \$1 billion in deferrals): Delaying the remittances from the summer to the end of the year to provide significant relief to local governments facing cash flow issues.

Extending tax filing and payment deadlines (over \$5 billion in deferrals): Providing administrative relief to businesses by postponing the filing and payment date by six months for the EHT, PST, municipal and regional district tax on short-term accommodation, tobacco tax, motor fuel tax, and carbon tax.

For more details, visit: <https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincial-support>

AN INTRODUCTION TO BC'S ECONOMY (PRE-COVID)

Data as of October 19, 2020

This note starts by describing the framework that the Ministry of Finance uses to assess the economy's performance and outlook. It includes:

- A framework for measuring the economy
- Information on using available data to assess economic performance
- A description of forecasting the economy

The note then describes some of the main characteristics of the BC economy, prior to the COVID-19 pandemic. It includes:

- A brief history of the BC economy
- BC's economic structure and pre-COVID trends in GDP and employment
- Information on regional employment
- Interprovincial comparisons

The note concludes with a discussion of the current economic situation, since the COVID-19 pandemic.

A Framework for Assessing the Economy's Performance and Outlook

A Framework for Measuring the Economy

Every day, government statistics agencies release economic data. As well, private companies, non-government organizations, think tanks, interest groups, and advocacy groups frequently distribute data on various aspects of the economy.

Interpreting what is happening in the economy and how it will perform in the future is more of an art than a science. There are some economists who think that their preferred indicator tells you all that you need to know about how the economy is doing now or how it will fare in the future. However, one can make sense of the stream of economic data and events by using a framework for thinking about the economy and its various components. Having a framework for looking at the economy helps to evaluate all of the data (statistics collected by official agencies), qualitative indicators (consumer and business confidence surveys and polls) and anecdotes (such as "the malls are crowded, so people are spending lots of money").

In the post-World War II years, economists and statisticians developed a framework for measuring the size and growth of economies. At the urging of the United Nations, most developed countries adopted this framework and began producing 'national economic accounts'. The purpose of these accounts was to measure the total volume of economic activity in a country year by year. The measure of total economic activity became known as 'real gross domestic product' (real GDP).

A second measure of GDP is called nominal or current-dollar GDP. The difference between the two measures is that nominal GDP uses the current price level whereas real GDP uses a fixed price level. This means that nominal GDP is affected by inflation, whereas real GDP is not. Because the government's revenues and costs are measured at current prices, nominal GDP is useful for government budgeting. Real GDP is useful for comparing the actual economic output of the economy, without inflation affecting the analysis. Unless otherwise stated, the rest of this document refers to real GDP.

A key principle of this economic accounting framework is that GDP measures all transactions of goods and services for money in the marketplace. This is done activity by activity, measuring the revenue from each good or service produced and sold minus the cost of production. This is known as "value added", so GDP is the sum of value added by all activities. The change in the volume of economic activity (real GDP) measures how much "economic progress" was made over any selected period.

Statistics Canada measures GDP from three different angles: the Expenditure Side, the Income Side and the Industry Side. Each side measures GDP from a slightly different approach, though in theory the result is the same for each side of the economic accounts.

- Expenditure Side: Aggregate expenditures and aggregate demand (e.g. consumption, investment etc), real and nominal GDP;
- Income Side: Total incomes earned in the economy (payments made to factors of production such as labour and capital); only nominal GDP; and
- Industry Side: The sum of value added by each industry (sector) in the economy; real and nominal GDP.

In theory, all three approaches should produce equivalent measures of GDP. In practice, however, most national statistical agencies, analysts and forecasters put more weight on the expenditure-side approach (it is considered the most accurate of the three approaches). The Ministry of Finance also focuses on the expenditure-side in its economic forecasting and monitoring.

Using Available Data to Assess Economic Performance

Statistics Canada produces quarterly GDP figures for the Canadian economy two months after the end of each quarter. It does not produce quarterly estimates of provincial GDP. Annual Statistics Canada estimates of provincial expenditure-side and income-side GDP are produced in November of the following year (for example, the 2019 BC real GDP figures will be released in November 2020). Statistics Canada releases preliminary industry-side estimates of provincial GDP earlier in the year (typically in May), which provides a preliminary estimate of how the economy performed in the prior year. However, the differences in the preliminary data estimates between industry-side GDP and expenditure-side GDP can be significant due to source data revisions and methodology. In the past ten years, the differences in annual real GDP growth rates between these two different methods have been as large as 0.5 percentage points on occasion and 0.2 percentage points on average.

Since real GDP is the main statistic for measuring the actual growth of the economy and the main focus of forecasts, during the year we want to have some idea of how the provincial economy is progressing relative to the previous year and relative to the forecast. Using a number of indicators which are produced in a more timely fashion (e.g. data from the labour force survey, retail trade survey, and merchandise export reports) a "bottom-up" approach to estimate GDP is used as the year progresses. There are many statistical indicators available for some of the components of GDP; for others there is little or no solid data. Unfortunately, data problems are sometimes greatest in volatile areas of the economy. Where data are lacking, staff end up talking to people in the relevant areas of the economy, researching private sector views and assembling anecdotal or qualitative information to form assumptions about what is happening. This is where assessing economic conditions is more art than science.

Combined, the in-year (year-to-date) indicators for real and nominal GDP give us a fairly good idea of how the economy is performing. There are times, however, when the available indicators send misleading signals. This occurs when volatile components for which minimal in-year data is available, such as investment and inventory changes, are moving differently than was assumed.

Forecasting the Economy

The Economic Forecasting and Analysis branch in Treasury Board Staff uses Statistics Canada's expenditure-side and income-side provincial economic account framework to make formal forecasts of the economy. The forecast takes all the information we have about the past performance of the economy and estimates its performance five years into the future. The model is a system of linked mathematical equations that are based on historical relationships between different sectors of the economy.

Because many factors affecting the provincial economy are determined outside the province's borders (e.g. foreign economic growth, interest rates, the value of the Canadian dollar, commodity prices), staff have to make assumptions about these factors. Based on these assumptions, the model projects the performance of these sectors and components and adds

them up to determine the level and growth rate of total provincial GDP, the forecast number that everyone focuses on.

Models are useful in ensuring consistency between and among the assumptions and variables being forecast. Nevertheless, staff can temper the model's predictions with their own judgements and knowledge of real-world developments that may be difficult to incorporate in the model, as well as applying a level of prudence that is determined by perceived downside risks. The result is a forecast that is internally consistent and prudent when compared to private sector forecasts.

A Brief History of the BC Economy

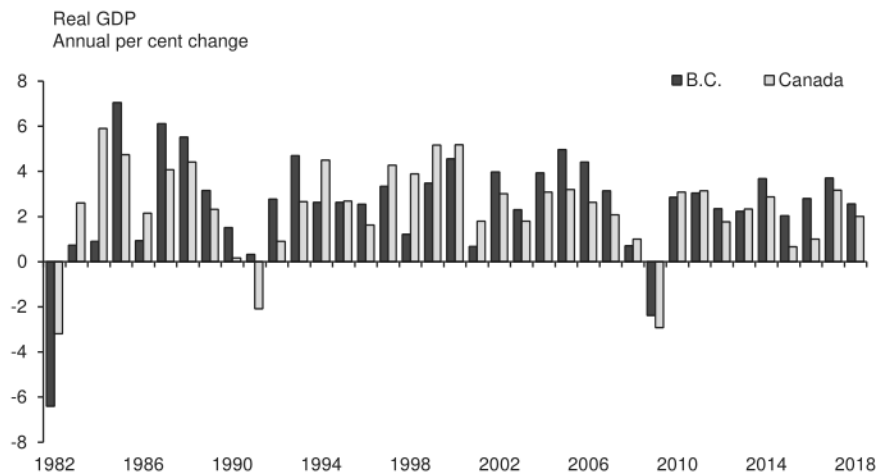
There were 5.1 million people living in BC in 2019. With 13.5 per cent of the Canadian population, it is now Canada's third most populous province, after Ontario and Quebec. BC produced about 13 per cent of the country's total GDP as of 2018. Vancouver is home to almost 2.7 million people, making it the third largest metropolitan area in Canada (after Toronto and Montreal) and one of only six Canadian cities with a population in excess of one million. It has become an important financial and industrial centre, and with its location on the west coast of the country, it is also a major transportation hub.

BC's population is aging: about 33 per cent of British Columbians are currently under 30, and about 33 per cent are aged 55 or older. In recent years, immigration, especially from Asia, has been a major source of population growth. As a result, the Vancouver area, along with other parts of the province, is becoming more culturally and ethnically diverse.

BC's economy grew by an average annual rate of 2.6 per cent since 1981, slightly above the Canadian average of 2.4 per cent during this period.¹

¹ Calculation based on Statistics Canada Provincial Economic Accounts (1981-2018).

B.C. and Canada Real GDP Growth Rates (1982 – 2018)



Sources: Statistics Canada, Haver

BC's economy experienced two years of annual contraction since 1981, both brought on by major downturns in the global economy. The first occurred in 1982 (when BC's real GDP fell by 6.4 per cent), a result of a major US economic downturn. In the early 1980s, the US implemented contractionary monetary policy in an effort to slow rapidly rising inflation. The second annual decline took place in 2009 (a 2.4 per cent annual decline), in the wake of the 2008/09 global financial crisis. BC also saw very weak growth in 1991 (a 0.3 per cent increase), 1983 (a 0.7 per cent increase), and 2001 and 2008 (0.7 per cent increases in both years).

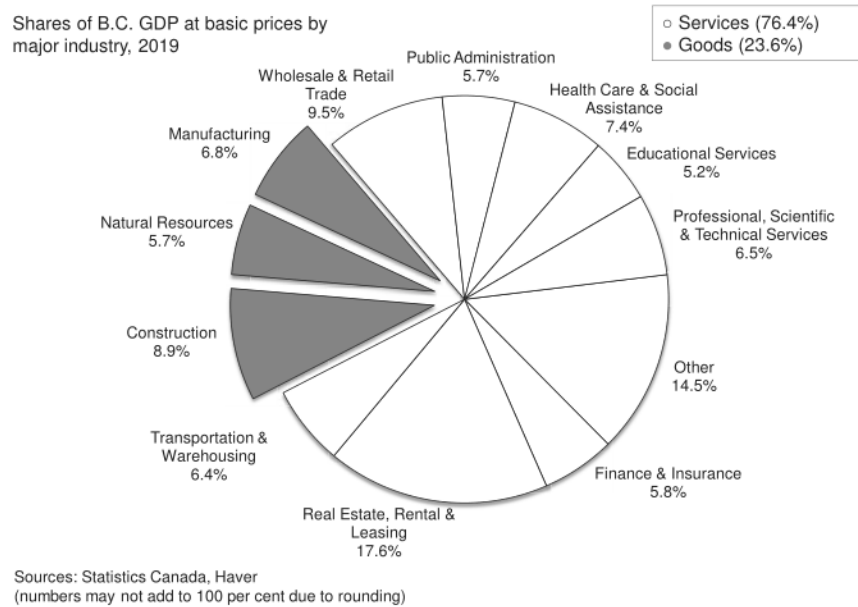
BC is a small, open economy and is therefore vulnerable to economic downturns in its major trading partners. However, over the past two decades, destinations for BC's exports have diversified, with a significant share going to Asian markets. This diversification has helped BC's economy to weather changes in demand from the US (BC's largest trading partner). In 2001, just 2.3 per cent of BC's total international merchandise exports went to China and 69.8 per cent went to the US. By 2019, however, 14.9 per cent of BC's total went to China and 50.6 per cent went to the US.

BC's Economic Structure and Pre-COVID Trends in GDP and Employment

Service industries have made up at least two thirds of BC's economy since the 1980s, but their proportion of the total has gradually increased over the last 30 years. Some service industries have close ties to goods production, providing transportation, wholesaling, retailing, insurance and other services to producers who must move their products to markets where they can be bought and sold. In some cases (for example, freight transportation), these industries would not exist, or would be greatly reduced in scope, without clients in the goods sector. At the same

time, some goods industries would not be able to function the way they do without service industries to support them.

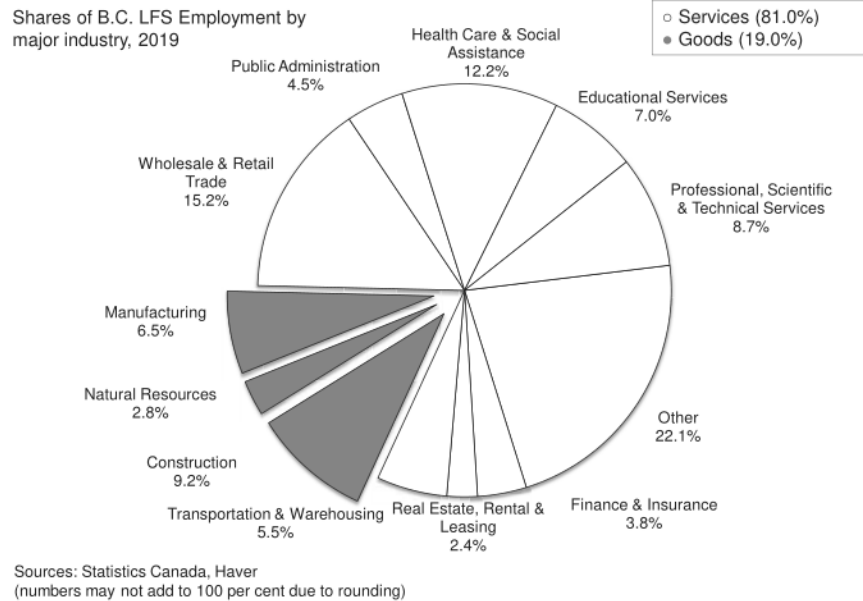
Composition of British Columbia GDP by Industry



The goods sector produced about 24 per cent of BC’s real GDP in 2019, down from about 31 per cent in 1981. It includes industries that most people are familiar with: agriculture, forestry, fishing, mining, quarrying, oil and gas, manufacturing, construction and utilities. Construction, and manufacturing and utilities produced the highest amount of GDP in the goods sector in 2019, with manufacturing and utilities accounting for 9.0 per cent of BC’s total GDP and construction making up 8.9 per cent. These sectors are also the biggest employers in the goods-producing sector, providing about 85 per cent of the jobs in BC’s goods-producing industries. Primary resource extraction and harvesting (agriculture, logging, mining and fishing) are relatively small employers at the provincial level, however they have a large impact on regional economies.

The services sector produced about 76 per cent of BC’s real GDP in 2019, an increase from about 69 per cent in 1981. The two biggest service industries are finance, insurance and real estate services (23.5 per cent of BC’s total real GDP) and public administration, health care and social assistance, and educational services (18.3 per cent of BC’s total real GDP). Public administration, health care and social assistance, and educational services (23.7 per cent of total employment in 2019) employs more people than the entire goods-producing sector. Wholesale and retail trade (15.2 per cent), transportation and warehousing (5.5 per cent of total), and finance, insurance and real estate services (6.2 per cent of total) also employ many service sector workers. The real estate sectors share of provincial GDP has increased slightly over the years, rising from 19.7 per cent in 1997 (furthest data available) to 23.8 per cent in 2019.

Composition of British Columbia Employment by Industry



Diversified Economy and Trade

The pace of economic growth in the goods sector is somewhat volatile, as these industries experience periods of relatively rapid growth and decline in response to changing world demand for commodities such as wood, paper, metals, natural gas and other resource products. The services sector can be thought of as a buffer that insulates BC's economy from some of the volatility in the goods sector. Although less reliance on resource industries means we are not as likely to feel the full effect of downturns in world markets for resource-based products, it also means that when these markets are booming, the benefits are not as noticeable either.

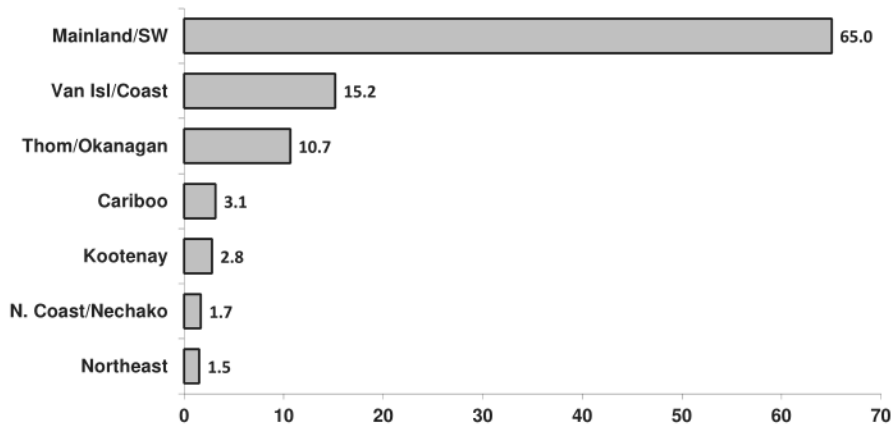
BC's trade diversity helps to shelter its economy from US downturns and allows BC to take advantage of rapidly expanding markets like China. While most of Canada is highly dependent on the US as an export destination (both Alberta and Ontario send more than three quarters of their merchandise exports to the US), BC currently sends around half of its total merchandise export to the US.

Employment in BC's Regions

About 4 out of 5 jobs in BC are located in the Lower Mainland (65.0 per cent in 2019) and Vancouver Island (15.2 per cent in 2019) areas. This is not surprising, as these two regions also contain most of the provincial population. Almost 11 per cent work in Thompson/Okanagan—the region around Kamloops, Kelowna and Vernon. Cariboo (3.1 per cent), Kootenay (2.8 per cent), North Coast and Nechako (1.7 per cent) and Northeast (1.5 per cent) each employ a relatively small percentage of the province's workers.

Composition of British Columbia Employment By Region

Regional distribution of employees in 2019, per cent



Sources: Statistics Canada, Haver

The northern and interior regions of the province, where many of the mineral and forest resources are located, are most reliant on goods production as a source of employment. About 30 per cent of jobs in the Kootenay, North Coast/Nechako, Northeast and Cariboo regions are in goods-producing industries. Goods account for a smaller percentage of total employment in the most densely populated regions, where the service sector is more dominant. Goods producing industries account for around 17 per cent of jobs in the Vancouver Island/Coast and Mainland/Southwest regions.

Interprovincial Comparisons

The tables, charts, and text below compare selected BC economic indicators to Ontario, Quebec, Alberta, and the national average. Other provinces may not have the same economic composition.

GDP by Industry:

- The natural resource sector makes up a large component of AB's economy (about 18 per cent) relative to the other provinces.
- ON and QB's manufacturing and utilities sectors are large compared to BC and AB.
- Finance, insurance and real estate makes up around 23 per cent of BC and ON's economies, in contrast to somewhat smaller shares in AB and QB.

GDP By Selected Industries (As a % of Total Real GDP), 2019

(% of Total)	Natural Resources	Manufacturing and Utilities	Construction	Transportation and Warehousing	Wholesale and Retail	Finance, Insurance and Real Estate	Public Admin., Health Care and Education	Other Services
BC	5.7	9.0	8.9	6.4	9.5	23.5	18.3	18.7
AB	17.9	10.0	8.8	5.7	9.0	16.3	16.4	15.9
ON	1.8	13.9	6.8	4.3	11.0	22.2	20.5	19.6
QB	3.1	16.7	6.8	4.7	11.3	17.2	22.6	17.7
Canada	9.6	12.4	7.2	4.5	10.3	19.4	19.2	17.3

Rank (within province)	Natural Resources	Manufacturing and Utilities	Construction	Transportation and Warehousing	Wholesale and Retail	Finance, Insurance and Real Estate	Public Admin., Health Care and Education	Other Services
BC	8	5	6	7	4	1	3	2
AB	1	5	7	8	6	3	2	4
ON	8	4	6	7	5	1	2	3
QB	8	4	6	7	5	3	1	2
Canada	6	4	7	8	5	1	2	3

Employment by Industry:

- Public administration, health care and social assistance, and educational services accounts for approximately one quarter of employment by industry in all jurisdictions. Wholesale and retail trade is the second largest employer in all regions.
- The natural resource sector makes up a much higher share of AB's total jobs (largely due to employment in the oil and gas industry) than in other provinces.
- Manufacturing and utilities accounts for a higher share of employment in QB and ON relative to BC and AB.

Employment By Selected Industries (As a % of Total Employment), 2019

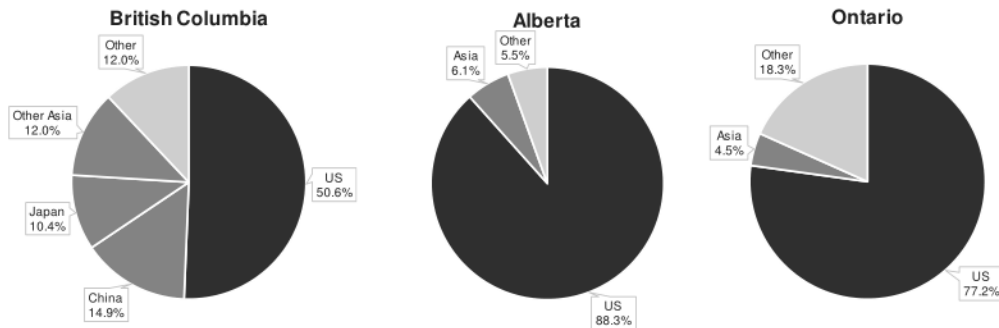
(% of Total)	Natural Resources	Manufacturing and Utilities	Construction	Transportation and Warehousing	Wholesale and Retail	Finance, Insurance and Real Estate	Public Admin., Health Care and Education	Other Services
BC	2.8	7.0	9.2	5.5	15.2	6.2	23.7	30.4
AB	8.3	6.8	10.1	5.9	14.4	4.5	24.2	25.8
ON	1.5	10.9	7.3	5.4	14.7	7.9	24.6	27.7
QB	2.2	12.1	6.1	5.4	15.3	5.6	26.8	26.4
Canada	3.3	9.8	7.7	5.4	14.9	6.3	25.6	27.0

Exports by Destination:

- BC has a diversified export market relative to other Canadian provinces.
- Most of Canada is highly dependent on the US. In 2019, 88.3 per cent of Alberta's total international merchandise exports, 72.8 per cent of Quebec's total international merchandise exports and 77.2 per cent of Ontario's total international merchandise exports went to the US. This is considerably higher than the 50.6 per cent of BC's total international merchandise exports to the US.
- This diversification helps to shelter BC from US downturns, compared to other provinces, and allows BC to take advantage of faster growing markets, particularly in Asia.

B.C.'s Export Trade Diversity

Annual share of international goods exports from selected provinces, 2019
(per cent)



Source: BC Stats

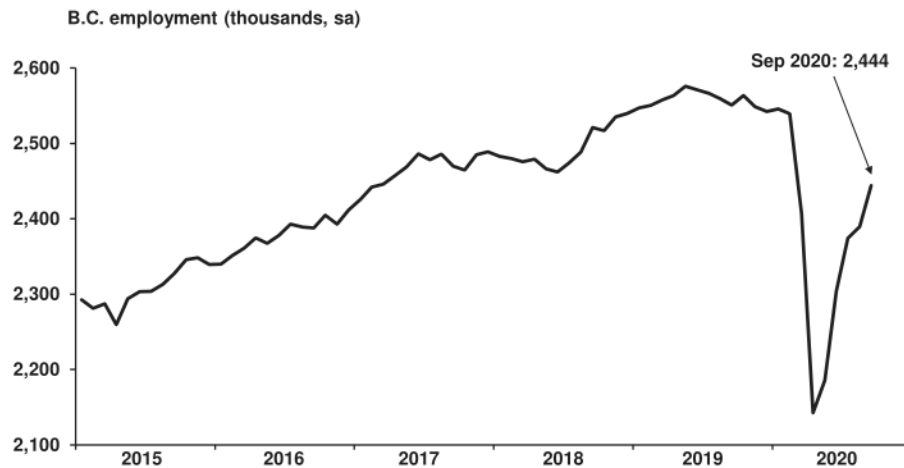
Note: Other Asia includes Hong Kong, Taiwan, South Korea and India
(numbers may not add to 100 per cent due to rounding)

Current Economic Situation (Since COVID-19)

Similar to other economies globally and in Canada, BC's economy has been significantly impacted by the COVID-19 pandemic, as demonstrated by wide-spread job losses and impacts to businesses. However, the province began easing restrictions in mid-May, and is currently in Phase 3 of BC's Restart Plan. This reopening, along with the relief measures and supports introduced by the provincial and federal governments and the Bank of Canada, will support the economy along its recovery path.

After experiencing substantial job losses in March and April, the BC labour market has shown signs of improvement. However, there were still 94,800 fewer jobs in September compared to February (-3.7 per cent). On a year-to-date basis, employment in BC is down 190,000 jobs (-7.4 per cent) in the first nine months of the year compared to the January to September period of last year. The year-to-date employment declines have been mainly concentrated in the service producing sectors, with notable declines in the information, culture and recreation sector, accommodation and food services sector, wholesale and retail trade sector, and business, building and other support services sector. Among the good producing sectors, job losses have been mainly concentrated in construction. Some people have been impacted more than others, most notably women and youth as these groups tend to be over-represented in some of the hardest hit service sectors, however some improvements have been observed as the economy recovers. Overall, the unemployment rate in BC was 8.4 per cent in September, up from 5.0 per cent in February. On a year-to-date basis, the BC unemployment rate averaged 9.4 per cent in the first nine months of the year compared to 4.7 per cent in the January to September period of last year.

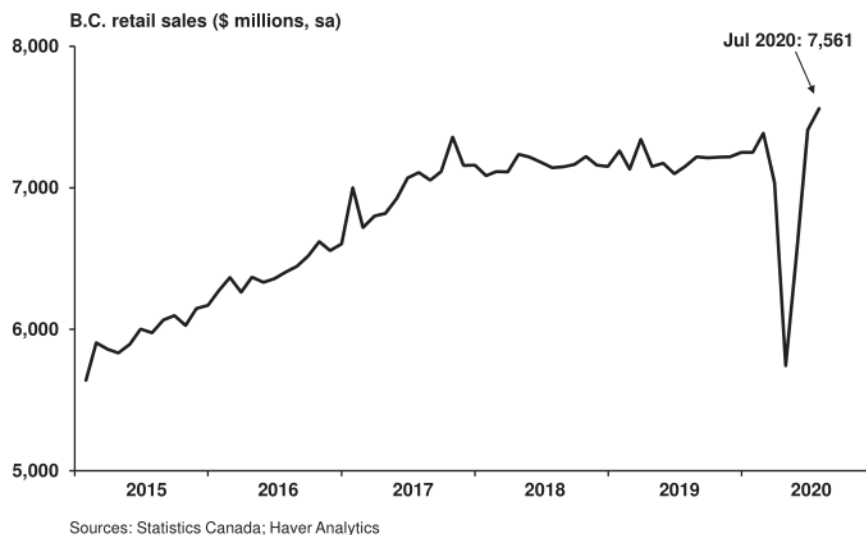
B.C. Employment



Sources: Statistics Canada (Labour Force Survey); Haver Analytics

Consumer spending patterns have been heavily influenced by the COVID-19 pandemic. While households increased spending on some essential items earlier in the year (such as food and beverages and household-related supplies), they cut back spending on many discretionary items including motor vehicles, clothing and home furnishings. Consumer spending was also likely impacted by job losses, precautionary saving behaviour, reduced confidence and physical distancing. BC nominal retail sales saw its largest monthly decline on record in April. However, since then retail sales have rebounded, as restrictions began to ease in May and government income supports for BC households have somewhat replaced lost wages and salaries due to the pandemic, allowing unemployed British Columbians to continue to shop. Retail sales in July were 2.4 per cent above the February 2020 level. On a year-to-date basis, BC retail sales were down by 2.7 per cent in the first seven months of the year compared to the January to July period of 2019. Major contributors to the decrease included clothing and clothing accessories stores (-37.0 per cent), gasoline stations (-15.1 per cent) and motor vehicle and parts dealers (-12.5 per cent). Higher sales at food and beverage stores (+14.2 per cent) and general merchandise stores (+7.0 per cent) contributed to spending growth.

B.C. Retail Sales



The Bank of Canada's latest Canadian Survey of Consumer Expectations, released in October 2020, indicates that consumer sentiment across Canada improved in the third quarter compared to the second quarter of 2020, however consumers expect that the overall recovery will be slow. The pandemic has impacted B.C. consumer confidence which fell in March and April, to reach the lowest level on record since data became available in 2002, according to the Conference Board of Canada's Consumer Confidence Index. Consumer sentiment has improved somewhat since then, however in September confidence was still 54.1 points lower compared to February.

The Bank of Canada's latest Business Outlook Survey, released in October 2020, indicates that business sentiment has improved however remains weak across all regions in Canada as businesses expect the pace of recovery to be slow and uneven across industries. Small business confidence in B.C. fell to a record low in March, according to the Canadian Federation of Independent Business index of small business confidence. While small business confidence appears to have recovered somewhat, based on the September survey results, many small business owners remain concerned about the road to recovery and in particular the short-term outlook.

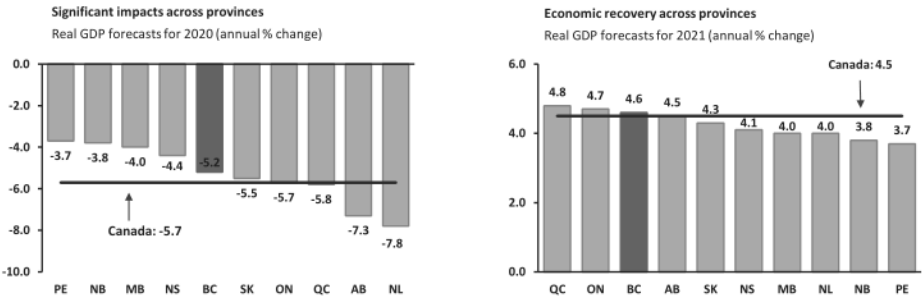
As the economic impact of COVID-19 is being felt around the world, demand for BC's merchandise export goods has weakened, and commodity prices have declined. BC's overall international merchandise exports were down 13.3 per cent in the first eight months of 2020 compared to the same period of last year.

Housing market activity in BC has been resilient despite the pandemic. The COVID-19 pandemic, physical distancing measures, and temporary halting of open houses across the province

disrupted new listings and sales activity in BC’s housing market. However, as restrictions began to ease in May, activity resumed swiftly, with new listings and sales activity in September surpassing levels observed in February. Low interest rates and pent-up demand are some of the factors behind the strong activity. On a year-to-date basis, home sales in BC are up 12.3 per cent in the first nine months of the year compared to the January to September period of last year, while the average home sale price is up 10.4 per cent year-to-date. The level of homebuilding also continues to be resilient, however housing starts are down 20.6 per cent year-to-date to September, coming off record highs observed last year.

As BC continues along its path of reopening and recovery, some analysts have noted that BC is in a more advantageous position than some other jurisdictions and is better positioned to weather recent events. Rating agencies have commented that BC is starting from pre-pandemic strength in its economic and fiscal position, which should support the recovery. While a major decline in economic activity is expected across all provinces, an average of six private sector forecasters as of October 16, 2020 expect BC real GDP to decline by 5.2 per cent in 2020 and grow by 4.6 per cent in 2021. This is better than the expected decline of 5.7 per cent on average across Canada for 2020 and similar to the 4.5 per cent growth expected nationally for 2021. Among the four largest provincial economies, BC’s real GDP is expected to decline less in 2020 and does not rebound quite to the same extent in 2021.

Private Sector Economic Outlook



Source: Average of a subset of the Economic Forecast Council that regularly forecasts economic performance in all provinces (BMO, CIBC, National Bank, RBC, Scotiabank and TD) as of October 16, 2020.

TREASURY BOARD

Treasury Board is a committee of the Executive Council whose powers, functions and duties are established in section 4 of the Financial Administration Act (FAA), which authorizes Treasury Board to make decisions regarding:

- government accounting policies and practices;
- management practices and systems;
- financial management and control;
- evaluation of government programs as to economy, efficiency and effectiveness;
- government personnel management; and
- other matters referred to it by the Executive Council.

Treasury Board may also make regulations or issue directives to control or limit expenditures or set conditions for any expenditures.

Treasury Board Staff works on behalf of Treasury Board to coordinate with ministries, Crown corporations and agencies to prepare the Province's three-year fiscal plan, and to monitor the management practices and risks and opportunities affecting the operating and debt targets set out in the budget and three-year fiscal plan.

Although Treasury Board is assigned responsibilities under the FAA, it is the primary responsibility of each minister under the general direction of Treasury Board and the Minister of Finance to ensure that the financial affairs of the ministry are properly administered. In addition, ministers may be designated as being responsible for one or more Crown corporations and agencies (including the school districts, universities, colleges, and health organizations, or SUCH sector) whose financial affairs may be subject to Treasury Board regulations, directives and policies, and whose Boards are accountable for ensuring that appropriate financial administration is in place.

The Chair of Treasury Board is the Minister of Finance. The balance of the Treasury Board has been comprised of both Cabinet ministers and Members of the Legislative Assembly. A Cabinet Minister is appointed as Vice-Chair.

TREASURY BOARD STAFF

Treasury Board Staff (TBS) supports the Board and the Minister of Finance by:

- acting as a secretariat for Treasury Board including coordinating and managing Treasury Board meetings throughout the year;
- reviewing and analysing ministry proposals and providing recommendations to Treasury Board which includes assessment of:
 - the cost effectiveness and use of financial resources;
 - alignment with government priorities and policy approvals;
 - the feasibility of implementation plans and use of key performance indicators;
 - the legal and accounting treatment and risks and other applicable policies (e.g. procurement policies);
 - previous decisions and precedence that could be set; and,
 - other relevant factors including confirming that Gender Based Analysis+ (GBA+), the *B.C. Declaration on the Rights of Indigenous Peoples Act*, and consultations with appropriate stakeholders have been considered as part of the proposal.
- preparing the government's annual Budget and Three-Year Fiscal Plan, Estimates, economic forecasts, Quarterly Reports/forecasts and the Financial and Economic Review;
- managing the budget development process and monitoring, forecasting and recommending corrective action related to government revenue, expenditures, capital and debt, and risks and opportunities related to the three-year fiscal plan;
- evaluating and reviewing commercial Crown corporation initiatives, performance measures, investments, budgets, performance management and related financial issues; and
- supporting the development, implementation and management of government's ten-year capital plan consistent with the corporate strategic priorities of government.

Cabinet Confidences

Page 111 of 606 to/à Page 114 of 606

Withheld pursuant to/removed as

Cabinet Confidences

MINISTRY OF FINANCE
KEY STAKEHOLDERS

Branch	Organization	Contact	Description	Key Issues
TBS, PBO	Various Construction Industry Partners	Attached DMIIF Membership List	<p>DMIIF - Deputy Ministers and Industry Infrastructure Forum</p> <p>Created in response to industry calls for a stronger relationship with government.</p> <p>15 members (8 government and 7 industry) plus 7 non-voting advisors.</p>	<p>Consult, discuss and share information and ideas related to improving government's infrastructure procurement practices and use of construction-industry resources.</p> <p>Typically meets biannually with the next meeting in Spring 2021.</p>
TBS, EFA	Various Private Sector Economists	Attached EFC Membership List	<p>EFC - Economic Forecast Council</p> <p>Consists of at least 10 members (external to government), appointed by order of the minister for their knowledge of the BC economy and expertise in economic analysis and forecasting.</p>	<p>Requirement of the Budget Transparency and Accountability Act.</p>

DMIIF Membership List	
Organization	Contact
Knappett Projects Inc.	Roger Yager Vice President Co-chair 250-475-6333 ext Personal Personal Information
STBR Consulting	Terry Brown President 250-979-8260 terrybrown.stbr@hotmail.com
Smith Bros. & Wilson (BC) Ltd	Clark Campbell Chief Estimator/ Sr. Project Manager 604-619-5624 clark.campbell@sbw.ca
Architectural Institute of BC	Maura Gatensby Practice Advisor 604-683-8588 ext 334 mgatensby@aibc.ca

DMIIF Membership List	
Organization	Contact
Jacob Bros Construction	Scott Jacob Principal Personal Information scott@jacobbros.ca
Equity Plumbing & Heating Ltd.	Brad Popoff President 250-563-1191 Brad@equityplumbing.ca
Association of Consulting Engineering Companies of BC	Tim Stanley President Stratice Consulting Inc. 8657 Seascap Drive West Vancouver, BC V7W 3J7 tim.stanley@stratice.ca
Association of Consulting Engineering Companies of BC	Caroline Andrews President & CEO 604-687-2811 ext 1 Personal Information

DMIIF Membership List	
Organization	Contact
BC Construction Association	Chris Atchison President 250-475-1077 Personal Information
BC Hydro	Linda Beardsell Director, Infrastructure Projects Procurement 604-528-2865 Linda.Beadsell@bchydro.com
Electrical Contractors Association of BC	Deborah Cahill President 604-294-4123 dcahill@eca.bc.ca
Partnerships BC	Mark Liedemann President & CEO 604-806-4171 Mark.liedemann@partnershipsbc.ca

DMIIF Membership List	
Organization	Contact
Independent Contractors and Businesses Association of BC	Chris Gardner President 604-298-7795 chris@icba.ca
BC Road Builders and Heavy Construction Association	Kelly Scott President 604-436-0220 kelly@roadbuilders.bc.ca

EFC Membership List	
Organization	Contact
Bank of Montreal	Douglas Porter Chief Economist and Managing Director 416-359-4887 Personal Information
BC Real Estate Association	Brendon Ogmundson Chief Economist 604-742-2796 bogmundson@bcrea.bc.ca
Business Council of BC	Ken Peacock Chief Economist and Vice President 604-696-6584 Ken.Peacock@bcbc.com
Central 1 Credit Union	Helmut Pastrick Chief Economist 604-737-5026 Hpastrick@central1.com
CIBC	Avery Shenfield Managing Director and Chief Economist 416-594-7356 Avery.Shenfeld@cibc.ca
Conference Board of Canada	Pedro Antunes Chief Economist 613-520-8512 Personal Information
IHS Markit	Arlene Kish Director, Economics 416-682-7315 Personal Information

EFC Membership List	
Organization	Contact
Laurentian Bank Securities	Sébastien Lavoie Chief Economist 514-350-2931 lavoies@vmbi.ca
National Bank	Stéfane Marion Chief Economist and Strategist 514-879-3781 stefane.marion@bnc.ca
RBC	Craig Wright Senior Vice President and Chief Economist 416-974-7457 Craig.Wright@rbc.com
Scotiabank	Jean-François Perrault Senior Vice-President and Chief Economist 416-866-4214 Personal Information
Stokes Economics	Aaron Stokes President and Director 905-878-8292 Personal Information
TD	Derek Burleton Vice President and Deputy Chief Economist 416-982-2514 Personal Information

BRIEFING NOTE
CROWN AGENCIES

Name: BC Financial Services Authority (BCFSA)

Legislative Authority: *Financial Services Authority Act (FSAA)*

Mandate:

The BCFSA is responsible for regulating credit unions and trust companies, insurance companies, pension plans, mortgage brokers and is also responsible for administering the Credit Union Deposit Insurance Corporation. The BCFSA safeguards confidence and stability in British Columbia's financial sector by protecting consumers from undue loss and unfair market conduct.

The BCFSA is a self-funded Crown entity governed by a board and led by a CEO who also fills the statutory roles of Superintendent of Financial Institutions, Registrar of Mortgage Brokers, and Superintendent of Pensions.

Current Appointees:

Chair: Dr. Stanley W. Hamilton, appointed until July 31, 2022

Vice Chair: Wilma Simone van Norden, appointed until July 31, 2023

Directors:

Shannon Nicola Salter, appointed until July 31, 2021

Joel J. Whittemore, appointed until July 31, 2021

Charles (Michael) Grist, appointed until July 31, 2023

Jacqueline Anne Kelly, appointed until July 31, 2023

Gerald Matier, appointed until July 31, 2023

Jo-Ann Shelley Hannah, appointed until July 31, 2022

Joanne Adele Hausch, appointed until July 31, 2022

Bruce Howell, appointed until July 31, 2022

John Dundas Thwaites, appointed until July 31, 2021

Appointments required:

- No appointments required at this time.

Issues:

- Strata Insurance Report (see "Strata Property Insurance" 30 day Decision Note)

Advice/Recommendations

Key Contact:

- Blair Morrison
- Chief Executive Officer
- Personal Information

BC Financial Services Authority (BCFSA)

Ministry of Finance

Governing Legislation

Specific governing legislation:

- BC Financial Services Authority is incorporated under the *Financial Services Authority Act*.
- Many of the BC Financial Services Authority's powers and responsibilities are established in the *Financial Institutions Act* and *Credit Union Incorporation Act*.

General governing legislation for all crown corporations:

- *Budget Transparency and Accountability Act*
- *Financial Administration Act*
- *Financial Information Act*
- *Freedom of Information and Protection of Privacy Act*
- *Information Management Act*
- *Public Sector Employers Act*

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Financial Information:

Revenue is from regulated entities, predominately from annual filings and licences, as well as temporary grant revenue from the provincial government. BCFSA is the administrator of the Credit Union Deposit Insurance Corporation (CUDIC) and recoveries includes the recovery of those administrative costs. Over 80% of expenses are for staffing compensation, and contracts for professional services.

(\$millions)	2019/20 (Actual)	2020/21 (Forecast)	2020/21 (Budget)	2021/22 (Projection)
Revenue & Recoveries	\$21.9	\$35.8	\$32.2	Advice/Recommendations; Government Financial Information
Expense	12.2	32.3	31.0	
Net Income	\$9.7	\$3.5	\$1.2	
Capital Expenditure	--	\$7.1	--	

BC Financial Services Authority

Legislative Priorities

- In 2021, the (BCFSA) will also become the regulator for real estate, replacing joint regulation of the sector by the Real Estate Council of British Columbia (RECBC) and the Superintendent of Real Estate within the Ministry of Finance. Cabinet Confidences; Advice/Recommendations
Cabinet Confidences; Advice/Recommendations

Board of Directors (all BC Financial Services Authority directors serve 2-5 Year terms)

- Stanley W. Hamilton, Chair
- Wilma Simone van Norden – Director
- Shannon Nicola Salter – Director
- Joel J. Whittemore – Director
- Charles (Michael) Grist – Director
- Jacqueline Anne Kelly – Director
- Gerald Matier – Director
- Jo-Ann Shelley Hannah – Director
- Joanne Adele Husch – Director
- Bruce Howell – Director
- John Dundas Thwaites – Director

Biographies

Dr. Stanley Hamilton is an emeritus professor at UBC's Sauder School of Business. During his career at UBC Dr. Hamilton taught and conducted research in real estate valuation and investments, institutional investments, pension fund governance and the real estate brokerage industry.

Wilma van Norden is a Chartered Professional Accountant. Previously, Ms. van Norden was a Managing Director and Senior Supervisor for the Office of the Superintendent of Financial Institutions Canada. Her 35-year career involved working in and regulating financial institutions, including banks, trust companies, insurance companies, pension plans and credit union system entities.

Shannon Salter is the Chair of the Civil Resolution Tribunal, Commissioner of the Financial Institutions Commission, and is an adjunct professor at the University of British Columbia. Previously, Ms. Salter was a Litigation Associate with Farris LLP.

Michael Grist is an Independent Regulatory Consultant. Previously, Mr. Grist was a financial sector regulatory specialist with the World Bank in Washington, D.C. His work focused on insurance regulation and his responsibilities included World Bank/IMF Financial Sector Assessments and associated technical assistance. Mr. Grist was also the Deputy Superintendent of Insurance and Pensions with FICOM.

BC Financial Services Authority

Gerry Matier was the Executive Director of the Insurance Council of British Columbia for over 25 years when he retired in 2017. He has lengthy experience in financial regulation in British Columbia involving insurance and securities.

Jacqueline Kelly is a retired lawyer. Previously, she practiced corporate and commercial law with a major Vancouver law firm for over thirty years and has extensive experience in advising corporate clients, including public and private companies, credit unions and co-operatives.

Joel Whittemore is a faculty member in the School of Business at Kwantlen Polytechnic University and focuses primarily on intermediate and advanced financial accounting. Previously, Mr. Whittemore worked in public accounting and commercial lending.

Jo-Ann Hannah worked for 25 years with Unifor, a private sector Canadian union, and retired as the Director of Pensions and Benefits in 2016. Upon retirement, she was appointed to a three-year term as chair of the Elementary Teachers' Federation of Ontario Employee Life and Health Trust. She is also a volunteer tutor with the Lil'wat Nation Education Program through Capilano University.

Joanne Hausch retired in 2017 after working since 1984 for Deloitte LLP where she was a Tax Partner, National Quality and Risk Leader for Global Investment and Innovation Incentives. She provided tax and business advice to a portfolio of clients including some of Canada's largest companies. She also consulted in a variety of industries including financial institutions, pension funds, mining, forest products, and oil and gas.

Bruce Howell retired in 2015 after working for 8 years as President and CEO of Prospera Credit Union. Previously, Mr. Howell worked as Chief Financial Officer for Cummins Western Canada, and before that as Senior Vice President, Integration, for Coast Capital Savings Credit Union/ Richmond Savings Credit Union, where he oversaw all customer service operations for Coast Capital Savings.

John Thwaites is currently Chief Executive Officer with REMCAN Projects. Mr. Thwaites is also a Director and Investor with Greenlight Innovation Inc., Formula Contractors Ltd., and Acuva Technologies Inc. He is a University of British Columbia Sauder Master of Business Administration mentor and lecturer. Previously Mr. Thwaites was President of Wesgar Inc. and Columbia Chrome Industries Ltd. He also was Vice-President and Director for Merrill Lynch Canada Ltd. Mr. Thwaites holds a Bachelor of Commerce from the Sauder School of Business at the University of British Columbia.

Senior Executive Team

Blair Morrison, CEO

Blair Morrison is the Chief Executive officer of the BC Financial Services Authority and serves as Superintendent of Financial Institutions, Superintendent of Pensions, Registrar of Mortgage Brokers and CEO of the Credit Union Deposit Insurance Corporation (CUDIC).

Blair is an experienced leader with more than 25 years spent in senior executive roles with industry leaders. He was most recently with Bank of Montreal where he held positions with enterprise-wide accountability in Procurement, as Chief Procurement Officer, Compliance, as Chief Compliance Officer, and Legal, as Senior Vice-President and Corporate Secretary.

Prior to joining Bank of Montreal in 2007, he was with TMX Group Inc., Nortel Networks Corporation, and Torys LLP. He holds a Bachelor of Commerce from Queen's University and a Bachelor of Laws from The University of Western Ontario.

Chris Carter, V.P. and Deputy Registrar of Mortgage Brokers

Chris Carter is Vice President, Deputy Registrar of Mortgage Brokers, and Deputy Superintendent FI Market Conduct. In that capacity Mr. Carter is responsible for the market conduct supervision of mortgage brokers and financial institutions doing business in B.C. Mr. Carter has been with the provincial regulator since 2012, where he played a key role in the reform of real estate regulation in B.C. as principal advisor to the Independent Advisory Group into Conduct and Practices in the Real Estate Industry. Mr. Carter joined the Government of British Columbia in 2007 and led several high-profile trade and investment projects and policy initiatives including rollout of the Asia Pacific Initiative and delivery of the 2010 Winter Olympics Hosting Program.

Frank Chong, V.P. and Deputy Superintendent of Financial Institutions, Regulation

Frank Chong is Vice President and Deputy Superintendent of Financial Institutions, Regulation. Frank has more than 18 years of experience within the financial services sector. His responsibilities include credit unions, P&C and life insurers, captives, and trust companies. Frank is also currently vice chair of the Canadian Council of Insurance Regulators (CCIR).

Chris Elgar, V.P. and Deputy Superintendent of Financial Institutions, Prudential Supervision

Chris Elgar is Vice President and Deputy Superintendent of Financial Institutions, Prudential Supervision. Chris brings over 35 years of financial services experience as a senior executive at major Canadian banks including Manulife Bank where he was Chief Risk Officer. Chris also served at the federal Office of the Superintendent of Financial Institutions within the Supervision Group where he held Relationship Manager roles, as well as Managing Director responsible for Capital Markets risk assessments for federally regulated financial institutions.

BC Financial Services Authority

Michael Peters, V.P. and Deputy Superintendent of Pensions

Michael Peters Vice President and Deputy Superintendent of Pensions. Michael has over 25 years of experience in the pensions field. He has been with the BC pensions regulator since 1994 and has been the deputy superintendent of pensions since 2004. In that role, he is responsible for operational and strategic policies related to the administration and enforcement of the *Pension Benefits Standards Act*, and for the development and implementation of a risk-based regulatory framework for oversight of pension plans.

Saskia Tolsma, VP Sector Liaison

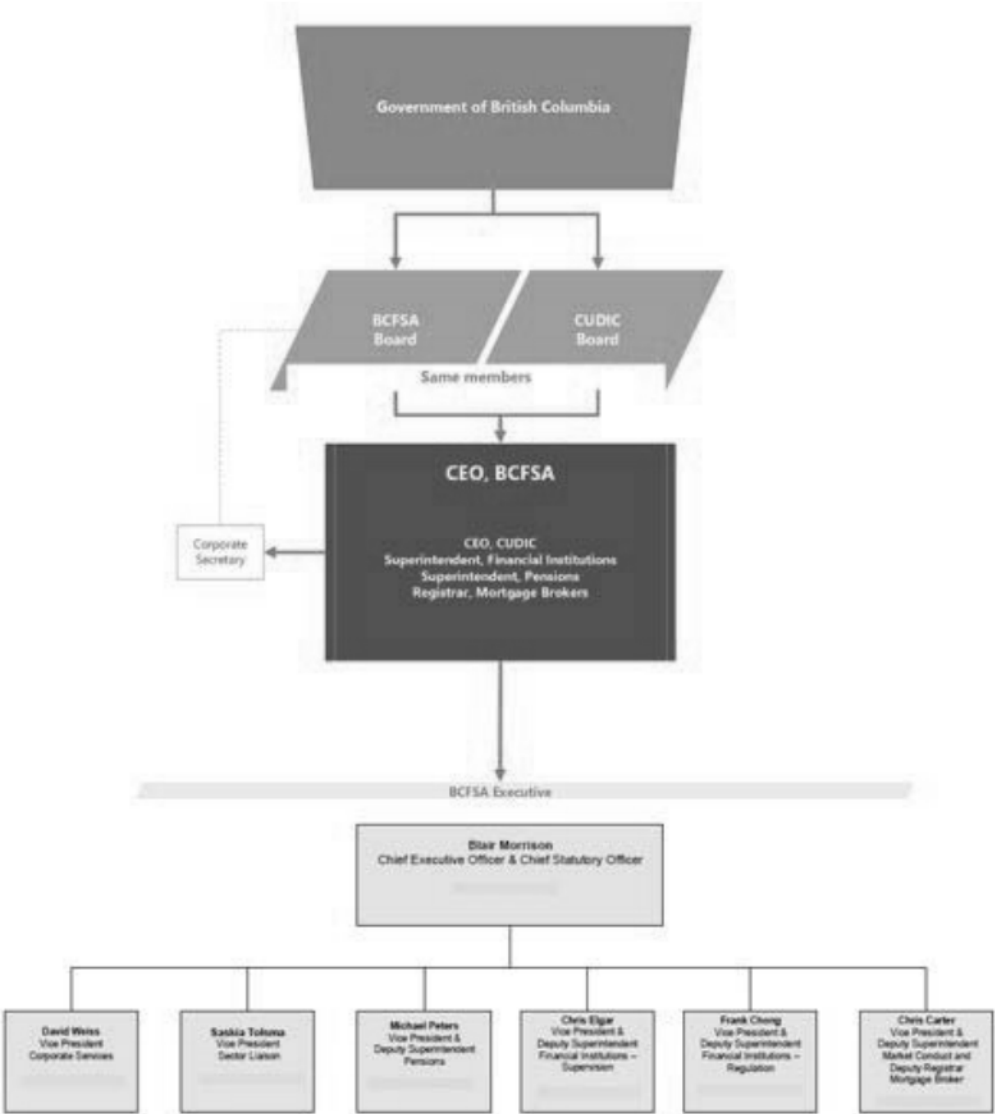
Saskia Tolsma is Vice President, Sector Liaison. Saskia is responsible for external engagement and issues management. Prior to joining BCFSA, she worked at Finance Canada in policy development, most recently with respect to innovation in financial services and leading a Minister of Finance appointed Advisory Committee.

David Weiss, V.P. Corporate Services

David Weiss is Vice President, Corporate Services. David has over 20-years of experience in the technology sector leading high performance teams in Strategy, Product Marketing, Product Management, Marketing Communications, Advertising & Promotion and Business Development. During that time, he held senior leadership positions with TELUS/BC Tel which he joined in 1990. David is an adjunct professor at UBC's Sauder School of Business and has an MBA from UBC.

BC Financial Services Authority

Organizational Chart



**BC Financial Services Authority
(BCFSA)**

**2020/21 – 2022/23
SERVICE PLAN**

February 2020



For more information on the BC Financial Services Authority contact:

Suite 2800 – 555 West Hastings Street
Vancouver, BC V6B 4N6

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Board Chair Accountability Statement



The 2020/21 – 2022/23 BC Financial Services Authority (BCFSA) Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with the government’s strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks as of February 2020 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, the BCFSA’s mandate and goals, and focus on aspects critical to the organization’s performance. The targets in this plan have been determined based on an assessment of the BCFSA’s operating environment, forecast conditions, risk assessment and past performance.

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

Stanley Hamilton
Board Chair

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Glossary

AML	Anti-Money Laundering
BC	British Columbia
BCFSA	BC Financial Services Authority
CABRO	Crown Agencies and Board Resourcing Office
CAPSA	Canadian Association of Pension Supervisory Authorities
CCIR	Canadian Council of Insurance Regulators
CUIA	<i>Credit Union Incorporation Act</i>
CUDIC	Credit Union Deposit Insurance Corporation
CUPSA	Credit Union Prudential Supervisors Association
FIA	<i>Financial Institutions Act</i>
FICOM	Financial Institutions Commission
FINTRAC	The Financial Transactions and Reports Analysis Centre of Canada
FSAA	<i>Financial Services Authority Act, 2019</i>
GBA+	Gender-Based Analysis Plus
MBRCC	Mortgage Broker Regulators’ Council of Canada
OSFI	The Office of the Superintendent of Financial Institutions
PBSA	<i>Pension Benefits Standards Act</i>

Strategic Direction and Alignment with Government Priorities

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy. Crowns are essential to achieving these priorities by providing quality, cost-effective services to British Columbia families and businesses.

Additionally, where appropriate, the operations of Crowns will contribute to:

- The objectives outlined in the government’s *A Framework for Improving British Columbians’ Standard of Living*,
- Implementation of the *Declaration on the Rights of Indigenous Peoples Act* and the Truth and Reconciliation Commission Calls to Action, demonstrating support for true and lasting reconciliation, and
- Putting BC on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water as described in the *CleanBC* plan.

By adopting the Gender-Based Analysis Plus (GBA+) lens to budgeting and policy development, Crowns will ensure that equity is reflected in their budgets, policies and programs.

The **BC Financial Services Authority** (BCFSA) is a Vancouver-based Crown agency of the Government of British Columbia. The BCFSA, which assumed the regulatory accountabilities of the Financial Institutions Commission (FICOM), became operational on November 1, 2019. The BCFSA has four core business areas that are organized around its areas of regulatory responsibility: pension plans, mortgage brokers, financial institutions (including credit unions, insurance and trust companies) and the Credit Union Deposit Insurance Corporation.

The BCFSA administers the following statutes found through these links:

- [*Financial Services Authority Act, 2019*](#)
- [*Credit Union Incorporation Act*](#)
- [*Financial Institutions Act*](#)
- [*Insurance Act*](#)
- [*Insurance \(Captive Company\) Act*](#)
- [*Mortgage Brokers Act*](#)
- [*Pension Benefits Standards Act*](#)

The BCFSA’s operations are aligned with the priorities set out in its Mandate Letter issued by the Minister of Finance of British Columbia (“Minister of Finance”) and are summarized here:

Government Priorities	The BCFSA Aligns with Government priorities by:
Making life more affordable	<ul style="list-style-type: none"> Continuing to improve our risk-based and proportionate supervision of the financial services sector and enhancing consumer protection. Engaging and working with sector participants and provincial and federal regulators.
Delivering the services people count on	<ul style="list-style-type: none"> Working collaboratively with the government to ensure a sustainable and effective deposit insurance program and improve financial crisis preparedness. Continue to work with the Superintendent of Real Estate, the Ministry of Finance Policy and Legislation Division, and the Real Estate Council of BC to establish a single regulator of real estate within the BCFSA Work collaboratively with government, industry and other stakeholders to review issues related to the cost and availability of insurance for strata corporations.
A strong, sustainable economy	<ul style="list-style-type: none"> Provide information, advice and support to the Ministry of Finance as it undertakes a review of the <i>Mortgage Brokers Act</i> of British Columbia. Work collaboratively with the government as it improves the effectiveness of BC's Anti-Money Laundering (AML) Regime.

Operating Environment

The BCFSA began operations as a new Crown agency on November 1, 2019 by assuming the regulatory accountabilities of the Financial Institutions Commission (FICOM). The transition was driven by the need to create a modern, efficient and effective regulator with the independence and flexibility necessary to regulate a financial services sector that had grown in size and complexity.

On November 12, 2019, the Minister of Finance announced that the BCFSA would also become responsible for regulation of the real estate industry, including licensing, conduct, investigations and discipline. The consolidation of real estate regulation within the BCFSA is expected to be completed by the spring of 2021.

Recruiting, developing and retaining a team with the necessary skills and experience is fundamental to the BCFSA's ability to achieve its objectives. As FICOM experienced staffing challenges in the past, we anticipate that the transition to a Crown agency will bring an updated suite of recruitment and retention strategies to assist in meeting human resource challenges.

Governance and funding

The BCFSA is governed by an 11-member Board of Directors appointed by the Government of British Columbia. The BCFSA is managed by a Chief Executive Officer (CEO) who is appointed by the Board. The BCFSA CEO currently leads a team of approximately 160 individuals in a variety of disciplines.

While the BCFSA was granted some transition funding from the Government of British Columbia, the regulator is intended to operate as a self-funded entity with costs covered by fees paid by regulated entities and individuals. This funding model dates from the establishment of FICOM in 1989. The BCFSA must not incur or budget for a deficit without the prior written approval of the Minister of Finance. The BCFSA consults with regulated entities and individuals prior to any fee changes. Cabinet approval is required to implement fee changes proposed by the BCFSA.

Legislation and transparency

The BCFSA was established by the *Financial Services Authority Act, 2019* (FSAA). The FSAA is designed to improve accountability and oversight at the BCFSA and align with regulatory best practices.

As a Crown agency, the BCFSA receives a mandate letter from the Minister of Finance and publicly reports on its finances and operations through various documents including this annual service plan and an annual service plan report.

Financial services landscape

The scope of the BCFSA's regulatory mandate reflects the size and complexity of the financial services sector in BC which, as of November 2019, included:

- 41 credit unions with more than \$65 billion in assets;
- over 5,000 mortgage brokers and brokerages;
- 677 pension plans with approximately \$158 billion in assets; and
- over 200 insurance and trust companies.

Note that many of the insurance and trust companies and some of the pension plans the BCFSA oversees also operate in other provinces. Mortgage brokers may also be authorized to do business in other provinces. Central 1 Credit Union, which undertakes various centralized activities such as clearing and payments for credit unions, acts as a "central" in both BC and Ontario.

This landscape makes cooperation and harmonization with other regulators in Canada a priority. The BCFSA is an active partner in national regulatory associations including the Canadian Council of Insurance Regulators (CCIR), the Credit Union Prudential Supervisors Association (CUPSA), the Canadian Association of Pension Supervisory Authorities (CAPSA) and the Mortgage Broker Regulators' Council of Canada (MBRCC).

A risk management model and market conduct

A properly functioning and efficient financial services sector in which British Columbians can place their trust and confidence is essential to the Province's economy. To achieve this objective, the BCFSA safeguards the interests of depositors, policyholders, beneficiaries, pension plan members and home buyers while at the same time allowing the financial sector to take reasonable risks and compete effectively. The BCFSA's goal is to balance competitiveness with financial stability and federal and international standards with local market realities.

The BCFSA uses a risk-based prudential supervisory framework to identify imprudent or unsafe business practices and intervenes on a timely basis, as required. The principles, concepts and core processes in our supervisory framework apply to all the BCFSA regulated financial entities in British Columbia. The primary focus of the BCFSA's supervisory work is to determine the impact of current and potential future financial events, both within British Columbia and externally.

In addition to the risk-based supervisory framework for regulated financial entities, the BCFSA also monitors the system for any violations of fair business practices such as mis-selling, unfair or misleading contracts and coercive sales tactics. The BCFSA ensures that no unauthorized business takes place in BC and that no unlicensed insurance agents, adjusters and salespeople operate in BC. The BCFSA may also appeal decisions of the Insurance Council of British Columbia.

In the mortgage broker sector, the objective of the Registrar of Mortgage Brokers is to protect the public and enhance mortgage broker industry integrity by enforcing broker suitability requirements and reducing and preventing market misconduct.

The BCFSA's key strategic priorities align our objectives and related strategies under each goal to demonstrate how the BCFSA intends to work towards achieving these goals. BCFSA engages in regular, dialogue with the Ministry of Finance on all issues that intersect with the priorities of the Government of British Columbia and are key to delivering on our mandate.

Performance Plan

The BCFSA's Mandate Letter identifies five key goals. The BCFSA has identified objectives and related strategies to support the achievement of each of the goals. The BCFSA will engage in regular communications with the Ministry of Finance toward the achievement of the goals as well as on matters within its regulatory accountabilities.

Goal 1: Risk-based Supervision and Consumer Protection

Objective 1.1: Advance the BCFSA's risk-based and proportionate supervision of financial services sectors and efforts to enhance consumer protection

The BCFSA's supervisory mandate includes overseeing financial institutions, pensions funds and mortgage brokers. Protecting the public is a key part of this mandate. A proportionate approach to supervision is required to protect the public while continuing to allow regulated entities and individuals to innovate and grow. Global standards dictate a move towards risk-based supervision.

Key Strategies:

1.1a. Update and publish the BCFSA's supervisory framework (the "Supervisory Framework") to ensure a consistent approach to supervision of the financial services sector.

- Revise the Supervisory Framework to align advancements in the BCFSA's regulatory approach with other federal and provincial regulators including the management of risks related to cyber, anti-money laundering and retail credit.
- Develop a supervisory 'playbook' for supervision activities to enable a consistent methodology and approach to proportionate monitoring and on-site reviews, reflective of varying size, scope and complexity of regulated entities in BC.

1.1b. Increase number of on-site and face-to-face meetings with regulated entities and base subsequent monitoring on these supervisory assessments.

- Our goal is for each financial institution (credit union, insurance company and trust company) to receive at least one (1) face-to-face meeting per year with the BCFSA.
- We will design and pilot an examination function to complete the risk review process for pension plans. This examination function, based on application of the risk framework, will include both desk and on-site examination.
- We will establish for turnaround times for the delivery of supervisory letters. Initial metric will be 90 days from the exit meeting (for on-site reviews). As processes and system tools improve, timelines will be reduced to 60 days effective March 2021.

1.1c. Increase targeted examinations of market conduct activities

- The goal of targeted market conduct examinations is to proactively identify and intervene to address harmful business practices among mortgage brokers, brokerages and financial institutions.

1.1d. Increase responsiveness to complaints

- The BCFSA treats all complaints seriously and is committed to responding promptly. When complaints are received, they are assessed for risk, assigned a priority and actioned appropriately.

Performance Measure(s)		2020/21 Baseline*	2021/22 Target	2022/23 Target
1.1a	Revision and modernization of current Risk Framework Risks across the financial services sector have evolved such that our process, procedures and methodologies to risk assessment as defined within the Supervisory Risk Framework, need to be reviewed and revised to reflect emerging risks.	50% of Framework revised	75%	100%
1.1b	Percentage of face-to-face supervisory meetings with financial institutions (credit unions, insurance companies and trust companies) in the fiscal year	75% of institutions	85%	90%
1.1c	Increase targeted examinations of market conduct activities.	24 examinations	28	32
1.1d	Increase percentage of complaints resolved within 3 months.	70% of complaints	75%	80%

*baseline measures have been established based on BCFSA operational data

Linking Performance Measures to Objectives:

- 1.1a Ensuring the Supervisory Framework reflects current and emerging risk drivers is foundational to modern, effective and efficient supervision of the BC financial services sector. The Supervisory Framework provides the methodology which the BCFSA follows in assessing the risk profiles of regulated entities.
- 1.1b The goal for increasing supervisory meetings face-to-face is to establish a mutual understanding of issues facing BC financial institutions and fostering a better understanding by the BC financial institutions of the BCFSA's areas of focus. There is a shared accountability for ensuring regular dialogue between stakeholders which is a key to ensuring the ongoing strength and viability of the BC financial services system.
- 1.1c An increase in targeted examinations of market conduct activities demonstrates the BCFSA's commitment to resourcing and growing its proactive conduct supervision capabilities. The measure is not calibrated to file complexity or seriousness and will be monitored over time to validate value as a measure of the BCFSA's business. For example, an examination of a larger financial institution is more resource intensive than the examination of a smaller mortgage brokerage.
- 1.1d Shorter average turnaround times on complaints demonstrates responsiveness to public interest in timely resolution of the issues they raise with the regulator. The measure is not calibrated to file complexity or seriousness and will be monitored over time to validate value as a measure of the BCFSA's business. For example, an increase in high complexity and serious files as a result of increased regulatory examinations and public awareness of the regulator will increase the average complaint turnaround time.

Goal 2: External Engagement**Objective 2.1: Engage and work with sector participants and other provincial and federal regulators**

In order to regulate effectively and in a proportionate manner, the BCFSA needs to engage with regulated entities and individuals to understand their views, challenges and opportunities. As well, the BCFSA needs to engage with other regulators to look to opportunities to harmonize regulation, where possible.

Key Strategies:**2.1a. Active attendance in regulatory organizations such as working committees**

- Participate in scheduled meetings of all regulatory associations related to the BCFSA's areas of responsibility

2.1b. Number of meetings related to emerging financial regulatory trends and issues such as cyber risk and cross-jurisdictional harmonization

- BCFSA staff act as the Chair of following committees:
 - MBRCC emerging issues committee
 - CCIR natural disasters and ombudservice oversight standing committees
 - CAPSA cyber security committee
 - CUPSA payments and centrals committees

- BCFSA staff participate in regular and ad-hoc working groups, consultations and dialogue with federal and provincial agencies across Canada, such as:
 - Western Canadian Regulators annual conference
 - The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)
 - The Office of the Superintendent of Financial Institutions (OSFI)
 - BCFSA staff participate in a variety of working groups led by other jurisdictions.

2.1c. Appoint an Industry Liaison and implement a stakeholder engagement framework

- Develop and implement the BCFSA's stakeholder engagement framework ensuring an integrated approach across BCFSA.
- Guide the development and maintenance of a culture of engagement with stakeholders and the public and recommend outreach opportunities to increase awareness of the BCFSA's services, priorities and corporate operations.
- Develop and lead the implementation of new outreach strategies and action plans.

Performance Measure(s)		2020/21 Baseline*	2021/22 Target	2022/23 Target
2.1a	Active attendance in regulatory organizations such as working committees.	80% attendance	90%	100%
2.1b	Number of scheduled meetings related to emerging financial regulatory trends and issues. <ul style="list-style-type: none"> ▪ Attendance at Provincial / Federal meetings ▪ Attendance at Working Committees 	100% attendance 90% attendance	100% 95%	100% 100%
2.1c	Stakeholder Engagement Plan <ul style="list-style-type: none"> ▪ Percentage completion of the work to review and finalize a stakeholder engagement plan including the appointment of an Industry Liaison Officer 	50% complete	75%	100%

*baseline measures have been established based on BCFSA operational data

Linking Performance Measures to Objectives:

- 2.1a Active participation by the BCFSA in regulatory associations through attendance at regularly scheduled meetings fosters harmonization and the development of common approaches to issues of national importance.
- 2.1b Through chairing and participating in working committees and ongoing engagement with regulatory peers, the BCFSA is aware of and positioned to respond to emerging regulatory issues.
- 2.1c The introduction of the role of Industry Liaison will allow the BCFSA to plan and execute expanded and more focused engagement with all our stakeholders. The Industry Liaison will seek opportunities to better use modern communication platforms – for example webinars and social media – as well as the more traditional methods of in-person meetings and focus groups.

Objective 2.2: Work collaboratively with government, industry and other stakeholders to review issues related to the cost and availability of insurance for strata corporations

Key Strategies

2.2a. Fully participate in all relevant activities related to the cost and availability of insurance for strata corporations.

- BCFSA staff participate in regular and ad-hoc meetings, working groups, consultations and dialogue related to the cost and availability of insurance for strata corporations.

Performance Measure(s)		2020/21 Baseline*	2021/22 Target	2022/23 Target
2.2a	Active attendance in meetings with government, industry and other stakeholders to review issues related to the cost and availability of insurance for strata corporations.	100% attendance	100%	100%

*baseline measures have been established based on BCFSA operational data

Linking Performance Measures to Objectives:

2.2a Through active participation in meetings with government, industry and other stakeholders with regards to reviewing issues related to the cost and availability of insurance for strata corporations will help ensure the BCFSA will be able to respond to emerging regulatory issues as they pertain to strata insurance.

Goal 3: Regulatory Governance and Legislation

Objective 3.1: Continue to work with the Superintendent of Real Estate, the Ministry of Finance Policy and Legislation Division and the Real Estate Council of BC to establish a single regulator of real estate within the BCFSA.

Government announced in November 2019 the establishment of the BCFSA as the integrated real estate and financial services regulator for British Columbia. The BCFSA is committed to working closely with all parties to achieve a successful transition and integration of real estate regulatory functions.

Key Strategies:

3.1a. Fully participate in all relevant activities related to the establishment of a single regulator at the Ministry's request.

- Together with the Ministry, Superintendent of Real Estate, and Real Estate Council, the BCFSA will develop and implement an integrated transition plan.
- The BCFSA will participate actively and fully in all relevant activities that are necessary to successfully plan and implement the inclusion of real estate in the BCFSA’s mandate.

- For example, the BCFSA will attend all steering committee meetings, all sub-committee meetings under the project governance framework, provide written and verbal input into operational and policy discussions, and consult with stakeholders, including industry.
- The BCFSA will work with partners to achieve all transition plan milestones.

Performance Measure(s)		2020/21 Baseline*	2021/22 Target	2022/23 Target
3.1a	Percentage of participation in all relevant activities related to the establishment of a single regulator at the Ministry's request.	100% participation	100%	N/A
	Execute on relevant milestones from transition plan.	75% completion	100%	N/A

*baseline measures have been established based on BCFSA operational data

Linking Performance Measures to Objectives:

3.1a The performance measures demonstrate the BCFSA's commitment to working with partners to develop and implement a plan that achieves Government's goal of an integrated real estate and financial services regulator in spring 2021.

Objective 3.2: Provide information, advice and support to the Ministry of Finance as the Ministry undertakes a review of the *Mortgage Brokers Act*.

The BCFSA regulates the mortgage broker industry, which is a key component of BC's financial services sector. The BCFSA is committed to supporting the Ministry of Finance's review of the *Mortgage Brokers Act*.

Key Strategies:

3.2a. Fully participate in all relevant activities related to the Ministry's review of the *Mortgage Brokers Act*

- The BCFSA will participate fully in all relevant activities to support the Ministry's review of the *Mortgage Brokers Act*. Those activities may include providing expert advice, defining regulatory objectives, offering perspectives on practical application of the legislative framework and highlighting best practices in other jurisdictions.

Performance Measure(s)		2020/21 Baseline*	2021/22 Target	2022/23 Target
3.2a	Percentage of participation in all relevant activities related to the Ministry's review of the <i>Mortgage Brokers Act</i> .	100% participation	100%	100%

*baseline measures have been established based on BCFSA operational data

Linking Performance Measures to Objectives:

3.2a The performance measure demonstrates the BCFSA's commitment to supporting a successful legislative review by the Ministry.

Goal 4: Deposit Insurance

Objective 4.1: Work collaboratively with government to ensure a sustainable and effective deposit insurance program and improve financial crisis preparedness.

The Credit Union Deposit Insurance Corporation (CUDIC) is a statutory corporation continued under the *Financial Institutions Act* (FIA) and administered by the BCFSA. CUDIC is responsible for administering and operating the credit union deposit insurance fund. The FIA authorizes CUDIC to guarantee the deposits and non-equity shares of provincially incorporated credit unions in British Columbia.

The BCFSA is committed to working collaboratively with CUDIC and stakeholders to maintain preparedness, stability and confidence in the credit union system.

Key Strategies:

4.1a Implement an Effective BCFSA Deposit Insurance Assessment Methodology

- The BCFSA and CUDIC are committed to maintaining a modern, efficient, and effective deposit insurance assessment methodology that responds to the needs of a rapidly changing credit union system and its depositors. Key activities to achieve that goal include:
 - Finalize and release the deposit insurance assessment methodology to the credit union system for comment;
 - Continue communications and engagement with credit union system and industry associations; and
 - Approve and implement an updated deposit insurance assessment methodology.

4.1b Review and Set Deposit Insurance Fund Size

- Reflecting international best practices, the BCFSA is committed to reviewing the CUDIC fund target size every four years, to ensure the fund size is credible and contributes to depositor confidence and system stability. Key activities to achieve that goal include:
 - Review the approach and parameters used to determine the adequacy of the current target fund range and fund size;
 - Research cross-jurisdictional best practices regarding the establishment of deposit insurance fund targets;
 - Conduct consultations with credit union system and industry associations; and
 - Finalize and adopt new target fund range, target point and funding timeline.

Performance Measure(s)		2020/21 Baseline*	2021/22 Target	2022/23 Target
4.1a	Continue to implement an effective Deposit Insurance assessment methodology. <ul style="list-style-type: none"> Percentage of information sessions completed post release 	50% completion of information sessions	75%	100%
4.1b	Review and set Deposit Insurance fund size. <ul style="list-style-type: none"> Percentage of completion of work to review, finalize and release new fund target size 	85% complete	100%	100%

*baseline measures have been established based on BCFSA operational data

Linking Performance Measures to Objectives:

- 4.1a CUDIC and the BCFSA are committed to maintaining a modern, efficient, and effective deposit insurance methodology that responds to the needs of a rapidly changing credit union system and its depositors. Industry consultation and engagement is an ongoing cornerstone of that commitment. The BCFSA will build on consultations that began in 2017 and will engage the credit union system by releasing a final proposed methodology in preparation for implementation in 2020/2021.
- 4.1b Reflecting international best practices, the BCFSA is committed to reviewing the CUDIC fund target size every four years, to ensure the fund size is credible and contributes to depositor confidence and system stability. In 2019/20, FICOM engaged an actuarial firm to provide independent actuarial analysis and advice to the Commission and CUDIC Board on the deposit insurance fund target range, target point, and funding timeline. The actuarial modelling is part of a comprehensive internal review of both quantitative and qualitative factors, including regulatory powers and practices.

Goal 5: Anti-Money Laundering

Objective 5.1: Work collaboratively with government as it improves the effectiveness of B.C.'s Anti-Money Laundering Regime

In 2019, Government received two reports identifying weaknesses and opportunities to strengthen B.C.'s anti-money laundering (AML) system (Combatting Money Laundering in BC, by the Expert Panel on Money Laundering in BC Real Estate, and Dirty Money – Part 2, by Peter German and Associates). On May 15, 2019, in the wake of these reports, the Government announced the establishment of the Cullen Commission of Inquiry into Money Laundering in BC.

Key Strategies:

- 5.1a. Fully participate in all relevant activities related to strengthening the BC and Canadian AML regime, including implementation of recommendations from the reports as endorsed by Government.
- Ensure BCFSA provides expert advice, where required, on policy and operational matters related to the initiative.

5.1b. Independently identify and implement opportunities for the BCFSA to strengthen its role within the current, integrated AML regime

- The BCFSA will identify and implement measures to support improved AML outcomes, including, for example:
 - amplify its focus on AML controls in its supervisory assessment of financial institutions;
 - increase scrutiny of mortgage broker applications and activities for potential money laundering risks;
 - continue to report suspected money laundering activities to relevant federal partners; and
 - increase interactions with AML partners on a bilateral and multilateral basis.

Performance Measure(s)		2020/21 Baseline*	2021/22 Target	2022/23 Target
5.1a	Percentage of participation in all relevant activities related to the review and implementation of AML improvements, and other complementary recommendations, as endorsed by Government.	100% participation	100%	100%
5.1b	Number of opportunities to strengthen the BCFSA’s AML role identified and implemented.	10 opportunities identified	10	10

*baseline measures have been established based on BCFSA operational data

Linking Performance Measures to Objectives:

- 5.1a The performance measure demonstrates the BCFSA’s commitment to supporting the strengthening of the BC and Canadian AML regime.
- 5.1b The performance measure demonstrates the BCFSA’s proactive response to opportunities to strengthen its role in AML, in the context of its current mandate and jurisdiction.

Financial Plan

Summary Financial Outlook

(\$000)	2019/20 Forecast	2020/21 Budget	2021/22 Plan	2022/23 Plan
Total Revenue				
By Major Sources				
Fees, Licenses & Recoveries	8,171	26,905	28,594	29,654
Grants	5,471	5,339	2,849	-
Total Revenue	13,642	32,244	31,443	29,654
Total Expenses				
Salaries and Benefits	7,044	21,285	21,445	21,605
Other	5,827	9,707	7,814	7,440
Total Expenses	12,871	30,992	29,259	29,045
Net Income/Excess of Revenue over Expenses/Annual Surplus (Deficit)	771	1,253	2,184	610
Total Liabilities/Debt (even if zero)	0	0	0	0
Accumulated Surpluses/Retained Earnings/Equity (even if zero)	771	2,024	4,208	4,818
Capital Expenditures	0	0	0	0
Dividends/Other Transfers	0	0	0	0

Key Forecast Assumptions, Risks and Sensitivities

Key assumptions for the 2020/21 budget:

- The BCFSA regulatory fee changes that became effective early 2020 will increase fee revenue by \$2.1M versus 2019/20.
- Industry activity will remain stable through to year end.
- New staff positions will be filled by fiscal year-end, enabling the BCFSA to increase its regulatory capacity and drive innovation.

Key assumptions for the 2021/22 budget:

- The BCFSA regulatory fee changes that became effective early 2020 will increase fee revenue by \$2.2M versus 2020/21.

Key assumptions for the 2022/23 budget;

- The BCFSA regulatory fee changes that became effective early 2020 will increase fee revenue by \$0.6M versus 2021/22.

Risks and Sensitivities

- The financial services sector in BC and globally is rapidly evolving. If the BCFSA cannot keep up, it could impede the BCFSA's ability to respond in times of crisis. Complexity and interconnectedness across and within sectors necessitates a thoughtful, proportionate and responsive regulatory approach.
- The BCFSA will be part of a larger system of government agencies, financial services providers and the economy. Although basic regulatory functions would continue, failure to engage with stakeholders could result in the regulator being out of touch with the nature and severity of risks faced by its sector participants and therefore failure to be able to appropriately carry out its mandate.
- Failure to align and coordinate with partners including the Ministry of Finance, Real Estate Council of BC and Superintendent of Real Estate could hinder successful integration of real estate regulatory functions in the BCFSA.
- Failure to provide sound advice and support to the Ministry of Finance in its review of the *Mortgage Brokers Act* could hinder the modernization of the regulatory framework and the ability of the regulator to respond to industry trends and risks.
- If there are no credit union failures/financial crises during the fiscal year, the impact of failing to develop and operationalize improvements to the credit union deposit insurance fund will be low. However, if there is a crisis and the organization has not finished developing its plan and secured the funds to pay out depositors, it would have a very high impact on the organization's ability to fulfill its core mandate.
- The success of BC and Canada's AML framework rests on close cooperation and collaboration between various parts of the AML system, and failure to work together would impact the BCFSA's ability to fulfill its mandate and effectively regulate the financial services sector.

Management's Perspective on the Financial Outlook

The ongoing funding model for the BCFSA does not include financial support from the Government of British Columbia. Most of the BCFSA's revenue comes from filing, registration and application fees paid by regulated entities and individuals under the various statutes. Compensation, occupancy and asset depreciation expenses account for about 70% of total expenses.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

- [BCFSA Governance](#)
- [BCFSA Board of Directors and of each Board Committee](#)
- [Per Appendix 1 of B.C.'s 'Governance and Disclosure Guidelines for Governing Boards of B.C. Public Sector Organizations'](#):

Organizational Overview

- [BCFSA Mandate](#)
- [BCFSA's business areas](#)
- [Location of BCFSA operations](#)

Additional Information

- [Financial Services Authority Act, 2019](#)
- [Credit Union Incorporation Act](#)
- [Financial Institutions Act](#)
- [Insurance Act](#)
- [Insurance \(Captive Company\) Act](#)
- [Mortgage Brokers Act](#)
- [Pension Benefits Standards Act](#)
- [Auditor General's Report](#)
- [Canadian Council of Insurance Regulators \(CCIR\)](#)
- [Credit Union Prudential Supervisors Association \(CUPSA\)](#)
- [Canadian Association of Pension Supervisory Authorities \(CAPSA\)](#)
- [Mortgage Broker Regulators' Council of Canada \(MBRCC\)](#)
- [Strata Legislation](#)



387579

January 14, 2020

Dr. Stanley Hamilton
BC Financial Services Authority
2800-555 West Hastings Street
Vancouver, B.C. V6B 4N6

Dear Dr. Hamilton:

I would like to extend appreciation on behalf of Premier Horgan and the Executive Council for your dedication, and that of your board members, in leading your organization and helping government deliver on our priorities to British Columbians.

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

Every public sector organization is accountable to the citizens of British Columbia. The expectations of B.C. citizens are identified through their elected representatives, the members of the Legislative Assembly.

This mandate letter, which I am sending in my capacity as Minister responsible for the BC Financial Service Authority (the BCFSA), on behalf of the Executive Council, communicates those expectations for your agency. It sets out overarching government priorities that will inform your agency's policies and programs, as well as specific direction on priorities and expectations for the coming fiscal year.

Our goal is to build a strong, sustainable economy that works for everyone. We are committed to working with you and other Crown Agencies to provide quality, cost-effective services to British Columbia families and businesses. By adopting the Gender-Based Analysis Plus (GBA+) lens

.../2

and Framework for Improving British Columbians' Standard of Living to policy development, we will ensure that equity is reflected in government budgets, policies and programs. You are encouraged to apply the GBA+ lens in your Crown Agency operations and programs. In the same vein, appointments to agencies, boards and commissions reflect government's direction to promote equity and leadership at senior levels in the public and private sectors, with a view to building strong public sector boards that reflect the diversity of British Columbia.

Two key priorities that will underpin lasting prosperity are advancing reconciliation with Indigenous Peoples and moving towards a low-carbon economy.

In November 2019, government passed the *Declaration on the Rights of Indigenous Peoples Act* which represents a crucial step towards true and lasting reconciliation. In keeping with the Calls to Action of the Truth and Reconciliation Commission, the Act was developed in collaboration with the First Nations Leadership Council to create a framework for reconciliation in B.C. All Crown Agencies are expected to incorporate the *Declaration on the Rights of Indigenous Peoples Act* and Calls to Action of the Truth and Reconciliation Commission within their specific mandate and context.

Announced in December 2018, the CleanBC plan puts our province on the path to a cleaner, better future – with a low-carbon economy that creates opportunities while protecting our clean air, land and water. As part of the new accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization plans to align operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk. Please be prepared to work with government to report out on these plans and activities.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2020/21. This will include online training modules and in-person conferences, as government works to support strong public sector boards that reflect the diversity of British Columbia.

As the Minister Responsible for the BCFSAs, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2020/21 Service Plan:

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Risk-based Supervision and Consumer Protection

- Advance the BCFSA’s risk-based and proportionate supervision of financial services sectors and efforts to enhance consumer protection.

External Engagement

- Engage and work with sector participants and other provincial and federal regulators.
- Work collaboratively with government, industry and other stakeholders to review issues related to the cost and availability of insurance for strata corporations.

Regulatory Governance and Legislation

- Continue to work with the Superintendent of Real Estate, the Ministry of Finance Policy and Legislation Division, and the Real Estate Council of BC to establish a single regulator of real estate within the BCFSA.
- Provide information, advice and support to the Ministry of Finance as the Ministry undertakes a review of the *Mortgage Brokers Act*.

Deposit Insurance

- Work collaboratively with government to ensure a sustainable and effective deposit insurance program and improve financial crisis preparedness.

Anti-Money Laundering

- Work collaboratively with government as it improves the effectiveness of B.C.’s Anti-Money Laundering Regime.

Each board member is required to sign the Mandate Letter to acknowledge government’s direction to your organization. The signed Mandate Letter is to be posted publicly on your organization’s website in spring 2020.

I look forward to continuing to work with you and your Board colleagues to build a better B.C.

Sincerely,



Carole James
Minister and Deputy Premier



Dr. Stanley Hamilton, Chair
BC Financial Services Authority



Wilma van Norden, Vice Chair
BC Financial Services Authority



Michael Grist, Director
BC Financial Services Authority



Jo-Ann Hannah, Director
BC Financial Services Authority




Joanne Hausch, Director
BC Financial Services Authority



Bruce Howell, Director
BC Financial Services Authority



Jacqueline Kelly, Director
BC Financial Services Authority



Gerry Matier, Director
BC Financial Services Authority



Shannon Salter, Director
BC Financial Services Authority



John Thwaites, Director
BC Financial Services Authority



Joel Whittemore, Director
BC Financial Services Authority

cc: Honourable John Horgan
Premier

Don Wright
Deputy Minister to the Premier and Cabinet Secretary

Lori Wanamaker
Deputy Minister
Ministry of Finance

Heather Wood
Associate Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Blair Morrison
Chief Executive Officer
BC Financial Services Authority

BRIEFING NOTE
CROWN AGENCIES

Name: BC Infrastructure Benefits

Legislative Authority: *Business Corporations Act* (BCA)

Mandate:

Mobilize and grow a skilled and diverse workforce through the implementation of the Community Benefits Agreement

Current Appointees:

Chair: Allan Donald Bruce, appointed until January 29, 2022

Directors:

Anita Kaur Atwal, appointed until January 29, 2022

Michael Alan Bonshor, appointed until January 29, 2022

Patrick Bruce Dennett, appointed until January 29, 2023

Gary Kroeker, appointed until January 29, 2022

David Miller, appointed until January 29, 2023

Appointments required:

- One vacancy to be filled within 90 days

Issue(s):

Advice/Recommendations

Key Contact:

- Irene Kerr
- President and CEO
- 778-783-1209

BC Infrastructure Benefits (BCIB)

Ministry of Finance

Governing Legislation

Legislative authority:

- BCIB is incorporated under the *Business Corporations Act*

General governing legislation for all crown corporations:

- *Budget Transparency and Accountability Act*
- *Financial Administration Act*
- *Financial Information Act*
- *Freedom of Information and Protection of Privacy Act*
- *Information Management Act*
- *Public Sector Employers Act*

Mandate

BCIB is responsible for implementing the Community Benefits Agreement, with the Allied Infrastructure and Related Construction Council of British Columbia, which includes providing the qualified skilled trades workforce for the construction of designated public infrastructure projects. In BCIB's 2020 mandate letter, government provided the following direction:

- Partner in the successful delivery of public infrastructure projects by enabling informed and competitive bids on projects to ensure Community Benefits Agreements are implemented
- Mobilize and grow a diverse, safe and skilled workforce through outreach to local communities, Indigenous communities and underrepresented groups.
- Honour the diversity and strength of community through the development and delivery of a cultural competency strategy and respectful workplace initiative for all BCIB employees

Financial Information:

BCIB operates on a cost recovery model. Labour costs for the skilled project workforce supplied by BCIB is invoiced to the project contractors. Operating costs, to implement the full scope of the CBA, are invoiced to project owners (the Province).

Actual results will vary from plan depending on the actual timing of projects, skilled project workforce requirements, or the addition of new Community Benefits Agreement projects.

(\$M)	2019/20 Actual	2020/21 * Budget	2021/22 * Plan	2022/23 * Plan
Contracted Services	17.5	73.0	271.4	225.2
Service Fee	7.9	11.3	15.0	15.0
Other	0.0	0.1	0.0	0.0
Total Revenue	25.4	84.4	286.4	240.2

BC Infrastructure Benefits

Project Workforce	17.5	73.0	271.4	225.2
Outreach & Engagement	1.2	1.0	2.0	2.0
Workforce Operations	2.2	4.3	6.0	6.0
Finance & Corporate Services	4.5	6.1	7.0	7.0
Total Expenses	25.4	84.4	286.4	240.2
Net Income	0	0	0	0

* Source: 2020/21 – 2022/23 Service Plan, published February 2020

Board of Directors

- Allan Donald Bruce, Chair
- Anita Kaur Atwal
- Michael Alan Bonshor
- Patrick Bruce Dennett
- Gary Kroeker
- David Miller

Allan Bruce (Chair) has over 40-years' experience in the construction industry, including an extensive background in trades training and occupational standards development. He is retired from his position as an international representative for the International Union of Operating Engineers (Canadian office). He has also worked as a mobile crane operator, a trade's instructor and a union representative, and most recently as a workforce development consultant. He has participated as a member of the National Operating Engineers Joint Apprenticeship and Training Council. Bruce is the past chair of the Canadian Apprenticeship Forum, a national multi-stakeholder organization dedicated to apprenticeship issues. He has also participated as a director and vice-chair of the Asia Pacific Gateways Skills Table. He is a director of Skills Canada BC. Bruce is a past director of the BC Industry Training Authority, where he participated on the human resources committee and chaired the governance committee.

Anita Atwal works as a lawyer at HHBG Lawyers. She advises on a wide array of workplace issues, including contract review, termination, severance packages and non-solicitation or non-competition agreements. Prior to joining HHBG, she practised at Alexander Holburn Beaudin & Lang. She is a member in good standing with the Law Society of British Columbia and is a member of the Canadian Bar Association Employment Law and Human Rights Subsection. She serves as director and former president of the South Asian Bar Association and serves on the Kwantlen Polytechnic University Foundation Board. Atwal holds a Bachelor of Arts from Simon Fraser University and a Bachelor of Laws from the University of British Columbia.

Michael Bonshor is a member of the Dzawada'enuxw First Nation of Kingcome Inlet. Bonshor has over 20 years' experience working with First Nations across Canada in areas of economic development, finance, business governance and First Nations investment. He is president/CEO of Ki'mola Indigenous Capital, a newly formed First Nations project finance and investment firm.

BC Infrastructure Benefits

Bonshor also provides First Nations advisory services through Visions First Nations Financial Services. A chartered professional accountant (CPA), Bonshor was a member of the CPA's sustainability advisory board. He has also held positions as board member and vice-chair of the New Relationship Trust, as well as a board member and treasurer of the Aboriginal Housing Management Association.

Patrick Dennett has had a career in the Construction Industry since 1968 and was Owner of one of the foremost glazing contractors in BC until he sold the company in 2002. He has served the Industry in many ways during his carrier and has held the position of Chair of the VRCA, BC Construction Association, Trade Contractors Council of the Canadian Construction Association, Glazing Contractors Association of BC and Director of these associations along with CLRA BC and SkillPlan. He was also Chair of the BCCA Task Force on Apprenticeship. He is an active volunteer in his community and served on the Board of the Burrard Inlet Marine Enhancement Society and was the volunteer Construction Manager for the rebuild of the Mossom Creek Hatchery. He currently serves as a Director of the Chute Creek Stewardship Society. He has been recognized for his dedication to the Industry and Community as a recipient of the CCA Ernest Dobbelsteyn Memorial Award, VRCA Lifetime Achievement Award and Life Member Award, and the Port Moody Exemplary Civic Service Award to name a few.

Gary Kroeker is a welder fabricator by trade and has been a member of the International Union of Operating Engineers (IUOE), Local 115 for many years. The IUOE is a diverse trade union representing workers in various sectors of the economy, including construction, road building, pipeline, mining, dredging, heavy equipment mechanics, waste management services and airline pilots. Previously, he was appointed business manager IUOE Local 115. Other positions he has held with the local union are assistant business manager, treasurer and guard. Kroeker is an advisory board member of Resource Works. He is a former board member of BC Jobs and Investment, and former president of the BC Highway and Related Construction Council. He was president of the Canadian Conference of IUOE, president of the B.C. and Yukon Territory Council and president of British Columbia and Yukon Territory Building and Construction Trades Council. Kroeker served as secretary and treasurer at Community Savings Credit Union and as director of Community Savings Credit Union. He was also on the executive board for the BC Federation of Labour.

David Miller is the Director of International Diplomacy and Global Ambassador of Inclusive Climate Action at C40 Cities Climate Leadership Group. He is responsible for supporting Mayors in their climate leadership and for building a global movement for socially equitable action to mitigate and adapt to climate change. He served as Chair of C40 Cities from 2008 until 2010. Miller was Mayor of Toronto from 2003 to 2010. Under his leadership, Toronto became widely admired internationally for its environmental leadership, economic strength and social integration. He is a leading advocate for the creation of sustainable urban economies, and a strong and forceful champion for the next generation of jobs through sustainability. Miller has held a variety of public and private positions and served as Future of Cities Global Fellow at Polytechnic Institute of New York University from 2011 to 2014. David Miller is a Harvard trained economist and professionally a lawyer.

Senior Executive Team

Irene Kerr, President and CEO

BC Infrastructure Benefits

Irene Kerr has an accomplished track record with over 20 years of experience in the transportation industry. Prior to joining BCIB, Irene was President and CEO of the B.C. Crown corporation, Transportation Investment Corporation. She has also served as Vice President of Games Services, Toronto 2015 Pan and Parapan American Games and Vice President Services, Vancouver 2010 Winter Olympic and Paralympic Games. In these roles, Irene demonstrated her skills in managing complex, multi-stakeholder projects, while also developing strong relations with stakeholders. Irene also sits on the board for SkillPlan, a nationally recognized leader in workforce development programs.

Mario Piscitelli, Vice President, Finance and CFO

Mario Piscitelli is responsible for a broad range of functions related to finance, including financial reporting, general accounting, internal controls, external audits, payroll, budgets, treasury, debt administration and financial analysis. His experience to date has been across commerce, public practice and various levels of government, including both not-for-profit and government business enterprises. Mario gained his business degree and accounting qualifications in Australia (CPA and CA ANZ), and in 2010 made his way to Canada where he now enjoys the west-coast lifestyle.

Sveto Plavsic, Vice President, Operations and COO

Sveto Plavsic is responsible for BCIB's operations and performance planning. His role includes the development and deployment of project workforce, occupational health and safety, performance planning and monitoring, and other operational aspects of implementing the CBA. Sveto is an experienced business leader in the areas of transportation and business consulting, and his career includes previous roles at TI Corp, WorkSafeBC, the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games and Air Canada. Sveto holds graduate degrees in commercial law and business administration.

BC Infrastructure Benefits

2020/21 – 2022/23 SERVICE PLAN

February 2020



For more information on BC Infrastructure Benefits contact:

Address:

Suite 1050 – 89 West Georgia Street, Vancouver, BC V6B 0N8

Phone:

1-888-567-2242

Email:

info@bcib.ca

Website:

www.bcib.ca

Board Chair Accountability Statement



BC Infrastructure Benefits (BCIB) is a Crown corporation established in 2018 and incorporated under the *Business Corporations Act*.

The 2020/21 – 2022/23 BCIB Service Plan was prepared under the Board of Directors' direction in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what is contained in the plan and how it is reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February, 2020, have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BCIB's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of BCIB's operating environment, forecast conditions, risk assessment and expected performance.

A handwritten signature in cursive script that reads "Allan Bruce".

Allan Bruce
Board Chair,
BC Infrastructure Benefits

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Strategic Direction and Alignment with Government Priorities

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy. Crowns are essential to achieving these priorities by providing quality, cost-effective services to British Columbia families and businesses. This Service Plan is aligned with the direction provided in BCIB’s [Mandate Letter](#).

Additionally, where appropriate, the operations of Crowns will contribute to:

- The objectives outlined in the government’s newly released A Framework for Improving British Columbians’ Standard of Living,
- Implementation of the *Declaration on the Rights of Indigenous Peoples Act* (DRIPA) and the Truth and Reconciliation Commission Calls to Action, demonstrating support for true and lasting reconciliation, and
- Putting BC on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water as described in the CleanBC plan.

By adopting the Gender-Based Analysis Plus (GBA+) lens to budgeting and policy development, Crowns will ensure that equity is reflected in their budgets, policies and programs.

BCIB is responsible for mobilizing and growing a diverse, safe and skilled workforce through the implementation of the [Community Benefits Agreement](#) (CBA).

As the employer for workers on select public infrastructure projects, BCIB prioritizes safety and supports British Columbians’ access to good-paying careers, skills development and apprenticeships.

In addition, BCIB is improving worksite culture and creating greater diversity through Indigenous Cultural Competency Training, local Indigenous awareness and priority hiring for underrepresented groups. Providing opportunities to underrepresented workers such as Indigenous people, women and people with disabilities will help meet the province’s skilled trades needs today and tomorrow.

BCIB’s operations are aligned with the Government of British Columbia’s key priorities:

Government Priorities	BC Infrastructure Benefits Aligns with these Priorities by:
Making life more affordable	<ul style="list-style-type: none"> • BCIB provides access to good-paying jobs and a network of project opportunities for skilled workers to advance their skills and certification. Growing the skilled workforce allows individuals the ability to afford the necessities of life for themselves and their families. • BCIB’s projects provide transparent wages and good benefits, making life more affordable for the people who work on CBA projects.
A strong, sustainable economy	<ul style="list-style-type: none"> • Investment in the province will be enhanced through the development of a local, diverse and skilled trades workforce now and into the future, supporting the delivery of public infrastructure projects, which themselves help build a strong economy.

Operating Environment

BCIB was established in 2018 to implement, measure and report the objectives of the CBA. As a Crown corporation, BCIB reports into the Ministry of Finance.

The CBA was signed between BCIB and the Allied Infrastructure and Related Construction Council of British Columbia (AIRCC) to supply skilled workers for select public infrastructure projects. Current projects under the CBA include [Highway 1 Kamloops to Alberta Border Four-Laning Projects](#), the [Pattullo Bridge Replacement Project](#) and the [Broadway Subway Project](#). BCIB employs the workforce on all CBA projects and is accountable for delivering a skilled, diverse workforce while also growing the workforce capital of the province through its workforce innovation strategy.

Key deliverables to date include establishing and starting up the Crown corporation, implementing core systems and professional staffing, completing the first construction season on the Illecillewaet Highway 1 Four-Laning project, and development and refining the recruitment, engagement, hiring and dispatch processes for BCIB workers.

BCIB can meet additional project workforce requirements on other provincial public infrastructure projects as and when requested by the Government of British Columbia.

The foundations to BCIB's operating environment are the key policy levers outlined in the CBA, including:

- The Employer - BCIB is the employer for all workers on CBA projects and oversight of the policy implementation, on the ground and in practice. BCIB is accountable for a culturally competent and respectful worksite, providing for fair and transparent wages and for offering opportunities for a career in the trades.
- Priority Hiring – CBA projects apply priority hiring opportunities for locals, Indigenous peoples, women, people with disabilities and other underrepresented groups in the trades. In addition, within the CBA there is a provision for priority re-hire for seasonal projects allowing a pathway for continual work.
- Indigenous Cultural Competency Training (ICCT) – BCIB employees on CBA projects will receive Indigenous Cultural Competency Training, which incorporates local Indigenous awareness. BCIB is also implementing a Respectful Worksite Initiative to ensure all Equity Groups¹ identified in the CBA experience a safe, respectful and inclusive worksite on CBA projects. This initiative is being developed with the support of key partners such as British Columbia Centre for Women in the Trades (BCCWITT).
- AIRCC Partnership & Union Membership – Employees join an appropriate affiliated union within 30 days of employment with BCIB. This allows for underrepresented people in the trades to have ongoing equitable access to benefits, training, education and other employment opportunities beyond CBA projects.

The implementation of the CBA requires ongoing change management and relationship building across diverse sectors with multiple stakeholders, including a partnership with the Industry Training Authority (ITA). This partnership will help to create communication avenues with educational institutions to attract youth into the trades.

¹ Equity Group is defined in the CBA, Article 2.311, as an inclusive term referring to women in non-traditional work, people with disabilities, and other traditionally underrepresented groups.

BCIB's Strategic Approach

BCIB's mandate is a multifaceted undertaking. As a new Crown corporation, the organization has focused diligently in its first year to engage with key stakeholders within our mandate: locals, Indigenous peoples, women, people with disabilities and other underrepresented groups. BCIB has also focused on the construction industry, community organizers, employment and training service providers and the AIRCC, on the implementation of the CBA.

Through this work BCIB has begun to identify key learnings, and in response, develop strategic approaches for the organization to apply.

Key Learnings

During the first fiscal year of operations a number of key learnings emerged:

Industry has identified the need to diversify and grow the skilled workforce and develop culturally competent, safe and respectful workplaces. Women make up 5% of the trades workforce² and the number one reason why women leave the sector is workforce culture.³ Through engagement, BCIB is learning about issues related to racism, mental health and addictions, sexism, and ableism in the sector.

Gender inequity persists when it comes to access to employment and receiving fair and transparent wages. BCIB has started dialogues with key leaders in the field of gender discrimination and BCIB will convene a gender and the trades working group to support women in the industry. This working group will include representation from the existing partners such as BC Federation of Labour (BCFED), BCCWITT, and ITA.

BCIB as a Crown corporation will track specific data on CBA projects. Traditional gaps in data include a demographic breakdown of craft hours⁴ as well as attraction and retention strategies for underrepresented groups. BCIB is tracking this data and is proud to report its first project season of implementing the CBA was successfully administered, with approximately 50% of the craft hours being completed by one or more of the priority hires (locals, Indigenous peoples, women, people with disabilities, and other underrepresented groups). BCIB continues to gather key metrics to measure the results of the investment and track our progress towards delivering on our mandate to diversify and grow a skilled workforce.

BCIB is accountable for – and seeks to – engage with Indigenous communities. The relationship with each Indigenous community is decidedly its own; with specific experiences, perspectives and considerations. BCIB is committed to building strong, respectful relationships with these communities and to provide their members with information about the opportunities through BCIB. BCIB is also establishing reciprocal relationships with local Indigenous communities for the delivery of ICCT.

Over the past year, BCIB has met with all the Identified Indigenous Groups (IIG) along the Highway 1 expansion projects of Illecillewaet Highway 1 and Kicking Horse Canyon Phase 4; and has initiated outreach to all IIGs connected to the Pattullo Bridge Replacement Project. In addition, BCIB has

² *Enhancing the Retention and Advancement of Women in the Trades in British Columbia: Final Report*, WorkBC, 2017.

³ *The State of Women in Construction in Canada*, Canadian Association of the Women in Construction, 2010.

⁴ Craft Hours refers to skilled labour hours.

presented at the Assembly of BC First Nations, met with key Indigenous leaders and educators, and completed ICCT for all headquarter staff, worksite employees and Board of Directors.

Applying learnings from our work will inform the performance measures and evaluation strategies that BCIB undertakes and will shape the organization's strategic approach in the coming years.

Strategic Approaches:

Building on the key learnings from BCIB's first year of operations, the organization has a comprehensive approach to implementing the CBA with the objective of attracting and retaining a skilled and diverse workforce for CBA projects, as well as facilitating change management. Some specific strategies BCIB will apply, include:

- **Network of Opportunities:** BCIB's network of projects will enable opportunities for people, particularly underrepresented groups, to enter the trades and receive the on-site experience necessary to move through their apprenticeships and complete their certifications. In order to increase the skilled workforce, there needs to be gainful employment opportunities, ideally close to home. This is why BCIB supports a network of employment opportunities across trades and regions.
- **Workforce Pathways:** BCIB is developing workforce pathways to support the management of applicants to the organization. During the organization's first season we received over 300 applicants and established employment service partnerships. BCIB will facilitate connections between applicants and employment service partners. These connections are intended to support applicants to augment their skills and have greater opportunities on CBA projects.
- **Safe and Respectful Worksite Initiative:** BCIB is committed to collaborating with contractors to establish a safe and respectful culture, and is committed to providing the necessary policies, training, tools and leadership. As mandated by the CBA, BCIB has already developed and implemented its ICCT. BCIB will be applying GBA+ to the initiative.
- **Analysis and Performance Metrics:** BCIB is working collaboratively with the Province to establish measurement tools that report on the benefits of the CBA. To begin, BCIB has established the methodology to forecast the cost of labour requirements for upcoming CBA projects.

BCIB is accountable to support the province's enabling legislation, DRIPA. BCIB's Respectful Worksite Initiative will include evaluation methodologies that report on how BCIB is applying DRIPA and GBA+ to its programs, policies and practices.

BCIB will be completing an assessment of the economic, social and fiscal benefits and costs associated with implementation of CBA projects – considering not only the short-term investment cost of the CBA program, but also the longer-term economic, social and fiscal benefits.

Performance Plan

BCIB's goals reflect its mandate with performance targets guided by the CBA and the Government of British Columbia.

BCIB will benchmark its performance against each goal. Success over time will be measured by calibrating baseline measurements established through BCIB's first projects.

Note: The metrics identified in this service plan reflect data gathered during BCIB's first construction season on the Illecillewaet Highway 1 project. While the project was small, it allowed BCIB to implement key systems, complete recruitment and establish initial data. The data and measurables for BCIB will evolve as the other CBA projects begin construction.

The following goals and objectives are in line with activities required to support active procurements of CBA projects.

Goal 1: Partner in the successful delivery of public infrastructure projects and implement the Community Benefits Agreement.

BCIB is mandated to enable the successful delivery of CBA projects from announcement, through initial collaboration, to successful implementation. To do this, BCIB works with the construction industry and the project owner ahead of project commencement to help introduce, engage and enable proponents to apply the CBA.

Objective 1.1: Engage and collaborate with proponents to support the application of the CBA on public infrastructure projects during procurement.

Objective 1.2: Engage in dialogue with the construction industry to support the application of the CBA.

Objective 1.3: Work jointly with proponents and project teams during procurement to facilitate the execution of the BCIB Contractors Agreement.

Key Strategies:

- Engage in regular, ongoing opportunities for feedback, collaboration, and education with industry stakeholders.
- Establish multiple channels to support CBA education and awareness.
- Demonstrate how the CBA is implemented on project bids and on the worksite, through active procurement processes and targeted outreach.

	Performance Measure(s)	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.1	Completion of industry collaboratives on CBA projects	31	8	TBD	TBD
1.2	Completion of industry outreach engagements*	41	18**	TBD	TBD
1.3	Execute BCIB Contractor Agreement on CBA projects	2	4	TBD	TBD

* The number of industry outreach engagements is not reflective of the number of contractors attending each engagement session.

** BCIB anticipates that with ongoing application of CBA on select public infrastructure projects, industry will become more familiar with the approach and require less outreach.

Linking Performance Measures to Objectives:

1.1 An industry collaborative is defined as a meeting between a proponent or potential proponent during the procurement phase of a CBA project. Industry collaboratives include B2B (Business to Business), all proponent meetings and specific topic meetings. Reporting on industry collaboratives demonstrates BCIB’s participation and willingness to receive feedback and helps contribute to the competitive selection process.

Discussion:

The implementation of the CBA is new to public infrastructure projects and requires education, dissemination and collaboration with contractors. This is undertaken through industry outreach and more formally through collaborative meetings with proponents on CBA projects.

As more projects are successfully delivered under the CBA, proponents will have a better knowledge of the application of the agreement and industry outreach may change accordingly. As 2019/2020 was BCIB’s first full year of operations, engaging with industry was a key priority and while it will continue to be important, the frequency of engagements may decline as more members of the industry become familiar with BCIB and the CBA.

1.2 Reporting on general industry outreach demonstrates that BCIB is not only focused on active procurements but also proactively engaging with industry, at their request, and in anticipation of future CBA projects. The goal is to broaden the number of companies that will be interested in participating on CBA projects.

Discussion:

BCIB is tracking discussions, targeting key partners on CBA projects and small to medium local subcontractors. As a new organization tasked with implementing a new provincial policy, BCIB has developed an industry relations strategy.

1.3 Reporting whether BCIB was able to execute the required BCIB Contractor Agreements demonstrates BCIB’s ability to work with proponents and lead change on CBA projects.

Discussion:

A BCIB Contractor Agreement (BCA) operationalizes the CBA and is an agreement to supply a skilled workforce to the contractors for a project. It also outlines the responsibilities of BCIB

and the contractor or subcontractor. This metric is dependent on the number of CBA projects mandated to BCIB.

BCIB currently has four active projects within its program; the Pattullo Bridge Replacement Project (PBRP), Illecillewaet Highway 1 and Kicking Horse Canyon (KHCP4) which are part of Phase 4 from the Highway 1 Four-Laning program, and the Broadway Subway Project (BSP).

BCIB executed its first BCA on Illecillewaet Highway 1 Project and anticipates executing a BCA with the successful proponent on PBRP in FY19/20.

BCIB anticipates an additional two BCAs to be executed on BSP and KHCP4 respectively, in FY20/21.

This measure may not apply in future years when the inclusion of a BCA becomes a more standard practice in project procurement.

Goal 2: Mobilize and grow a safe, diverse and skilled workforce.

BCIB is committed to employing traditionally underrepresented workers through priority hiring mechanisms in the CBA. BCIB provides opportunities for locals, Indigenous people, women, and other groups traditionally underrepresented in the construction trades.

Objective 2.1: Provide foundational safety training for all employees on public infrastructure CBA projects.

Objective 2.2: Partner in the recruitment with Indigenous communities, women, and other Equity Groups.

Objective 2.3: Increase apprenticeship and trainee opportunities through a network of projects and facilitate pathways to support employee success.

Key Strategies:

- Complete stakeholder mapping and assessment of current resources within the regions where CBA projects are taking place, and identify specific leaders and organizations supporting target Equity Groups for recruitment and outreach purposes.
- Refine the necessary systems and processes to accept applications, process applications, track apprenticeship sponsors and levels, track qualification updates and successfully track and dispatch equity priority hires on CBA projects.
- Establish a recruitment and outreach coordinator for each region where CBA projects are taking place (currently, Lower Mainland and Highway 1 in the interior) to lead relationship building, establish partnership agreements and work front line with community organizations to provide equitable access to application opportunities and assessment for employment opportunities.
- Implement best practice assessments for safety training and apprenticeship supports in partnership with AIRCC and other industry and educational leaders to have training and learning strategies that are up to date and consistent with industry standards.

- Complete ongoing workforce forecasting for CBA projects and non-CBA projects to support recruitment and inform applicants of available jobs, now and on future projects.
- To support recruitment, use partner social media channels – for example partner Facebook pages.

	Performance Measure(s)	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/2023 Target
2.1	Percentage of people who completed BCIB foundational safety training	100%	100%	100%	100%
2.2	Percentage of total project hours worked by, Indigenous, and Equity Groups*	32%	16%**	16%	16%
2.3	Percentage of total project hours worked by apprentices and trainees	18%	25%***	25%	25%

*The industry performance for the percentage of total project hours worked by Indigenous peoples is 5%⁵. The industry performance for the percentage of the total project hours worked by women is 5%⁶, and the same for men.

** The targets for 2020/21 and beyond are intentionally stretch targets and with more data over time BCIB will gain more certainty.

*** Article 9.302 in the CBA notes that the overall target ratio for apprenticeship should be 25% across all CBA projects and Article 9.405 sets the target for trainees to not less than 10%.

Linking Performance Measures to Objectives:

- 2.1 Reporting on the percentage of people who participate in safety training indicates the successful completion of industry-recognized certification, which contributes to a workplace culture that prioritizes safety.

Discussion:

Safety is paramount and is a shared commitment among BCIB, the project owner and the contractor for the successful completion of public infrastructure projects. BCIB has established access for foundational safety training for all BCIB applicants. Foundational safety training supports applicants to build their employment qualifications for future projects.

BCIB has also established and implemented a Workplace Drug and Alcohol policy and procedures that all employees must adhere to.

- 2.2 Reporting the percentage of hires across Equity Groups will indicate how BCIB is implementing the CBA’s priority hiring provision as well as the effectiveness of targeted recruitment efforts.

Discussion:

Equity groups are defined as a member of a designated group who have historically been denied equal access to employment. The CBA uses priority hiring to facilitate the greatest opportunities for locals, Indigenous peoples, women and other Equity Groups.

⁵ *Labour Force Survey*, Statistics Canada, 2016

⁶ *Enhancing the Retention and Advancement of Women in the Trades in British Columbia: Final Report*, WorkBC, 2017.

There has traditionally been a gap in the data regarding employment of Equity Groups on public infrastructure projects. Therefore, tracking and reporting on the percentage of Equity Group hires will establish initial data sets for BCIB.

BCIB's workforce pathways formalize the relationships between our partners to support this objective. For example, BCIB has a referral program with BCCWITT and the BCFED that links women applicants who require skills enhancements to qualify for project roles. BCIB will also establish a working group to support women in the trades with representation from BCFED, BCWITT and the ITA.

As this is BCIB's first year of operations the available data provides an initial understanding of the percentage of women that will be reached on projects. Therefore, a conservative target has been set for coming years and will be more formalized in the future with more data available.

- 2.3 Reporting on the total number of hours worked by apprentices and trainees will indicate the share of craft hours⁷ on a project, and in turn, the total investment in the training and development of apprentices on CBA projects.

Discussion:

Supporting apprenticeships in their certification to journey person contributes to our goals of growing the skilled workforce in order to meet the demands now and into the future while creating further opportunities for good paying jobs. BCIB is tasked to provide access to apprenticeship and skills training and develop a skilled workforce that will meet the Province's current and future needs. BCIB is proactively identifying trainee and apprenticeship opportunities from industry collaboratives and with our AIRCC partner to establish project-specific targets.

BCIB has also established trade-specific working groups with the AIRCC to assess applicants for apprenticeship pathways at the onset of their expressed interest in CBA projects. These working groups review applicant information, prioritize Equity Groups per the CBA mandate, identify gaps for applicants and support BCIB in identifying what additional requirements or educational opportunities candidates could access to enter an apprenticeship.

⁷ Craft Hours refers to skilled labour hours.

Goal 3: Honour the diversity and strength of community.

Partnerships with Indigenous peoples and local communities through this goal meets DRIPA and GBA+ objectives. BCIB values the inherent knowledge and experiences of local people who live near the CBA projects.

Objective 3.1: Deliver Indigenous Cultural Competency training to employees.

Objective 3.2: Develop a Respectful Worksite Initiative to support the inclusion of women and other Equity Groups on the worksite.

Objective 3.3: Partner in recruitment to increase a local skilled trade workforce on CBA projects.

Key Strategies:

- Grow BCIB’s ICCT and enhance internal capacity through implementing a train the trainer initiative, led by Indigenous facilitators and advisors.
- Establish a relationship with local Indigenous groups whose territories intersect with CBA projects with the purpose of including local Indigenous awareness in Indigenous Cultural Competency Training.
- Develop a Respectful Worksite Initiative to integrate current best practices of training and education to support locals, Indigenous peoples, women, people with disabilities and other underrepresented groups in the trades. The initiative will detail the key activities, approaches and tools that support the organization’s policies and expectations regarding respectful workplaces, encompasses key strategies, measurables and deliverables to support the Equity Groups as defined by the CBA to enter and build a career in the trades. Key tactics will include print and online resources, gender equity, diversity and inclusion education and training.
- BCIB has implemented a Workplace Discrimination and Harassment Policy and procedures as well as a Whistleblower policy that all employees must adhere to.
- Implement a comprehensive, localized communications plan that includes multiple channels and incorporates informal and formal local networks.

	Performance Measure(s)	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.1	Percentage of employees who completed Indigenous Cultural Competency Training*	100%	100%	100%	100%
3.2	Percentage of employees who completed respectful workplace training*	100%	100%	100%	100%
3.3	Percentage of total project hours worked by local hires**	35%	TBD	TBD	TBD

*These metrics assume employees have worked for BCIB for at least 30 days.

**This will vary depending on the type of project and the location.

Linking Performance Measures to Objectives:

- 3.1 Reporting on the percentage of employees who participated in, and completed, cultural competency training demonstrates BCIB's commitment to UNDRIP, the Truth and Reconciliation Commission and meets the mandate of the CBA for all workers to have Indigenous Cultural Competency Training including local indigenous knowledge.
- 3.2 Reporting on the percentage of employees who participate in and complete respectful worksite training demonstrates our commitment to a culture of mutual respect, understanding and inclusivity.

Discussion:

Historically, the retention of women in the trades has been a challenge due to worksite culture. On BCIB's projects a Safe and Respectful Worksite is paramount. These performance measures capture the impact of growing a culture of workplace respect and support and contributes to the attraction and retention of diverse employees.

During our first year, BCIB piloted its Indigenous Cultural Competency Training and BCCWITT's **Be More Than a Bystander** (BMTB) to support women's experience on the worksite for all workers on the Illecillewaet Highway 1 project.

BCIB's Indigenous Cultural Competency Training provides foundational historical information on pre and post-colonial contact in relation to Indigenous peoples in Canada. The curriculum covers the economic, social and environmental impacts of the *Indian Act* and subsequent assimilation policies. BCIB works with Indigenous and non-Indigenous facilitators to provide core curriculum for each training session. In addition, BCIB builds relationships with local Indigenous representatives which augment the core curriculum with local Indigenous perspectives and awareness. Next, BCIB will be developing its train the trainer program to expand the number of Indigenous and non-Indigenous trainers and have more local facilitators available where CBA projects take place.

BCIB has partnered with the BCCWITT to deliver respectful workplace training through its partnership with Ending Violence BC and through **Be More Than a Bystander** training. The training is designed to provide a practical, sector-based learning opportunity for workers on the project to break the silence of gender-based violence including how to speak up and how to communicate that violence and discrimination in the workplace is not acceptable.

- 3.3 Reporting on the percentage of total project hours worked by local hires indicates the successful engagement, recruitment, training, dispatch and retention of key priority hires. This measure reaffirms BCIB's commitment to ensuring locals benefit from all aspects of a project.

Discussion:

The CBA includes specific priority hiring for "local" residents – defined as living within an approximate 100 km radius of the select infrastructure projects. This provides equitable access for those living closest to the projects and increases skills capital in communities, supporting economic stability for local families.

Financial Plan

Summary Financial Outlook

(Sm)	2019/20 Forecast	2020/21 Budget	2021/22 Plan	2022/23 Plan
Total Revenue				
Contracted Services	0.8	73.0	271.4	225.2
Service Fee	7.8	11.3	15.0	15.0
Other	0.2	0.1	0.0	0.0
Total Revenue	8.8	84.4	286.4	240.2
Total Expenses				
Project Workforce	0.8	73.0	271.4	225.2
Outreach & Engagement	0.8	1.0	2.0	2.0
Workforce Operations	1.9	4.3	6.0	6.0
Finance & Corporate Services	5.3	6.1	7.0	7.0
Total Expenses	8.8	84.4	286.4	240.2
Net Income/Excess of Revenue over Expenses/Annual Surplus (Deficit)	0.0	0.0	0.0	0.0
Total Liabilities	11.8	10.9	14.4	12.7
Accumulated Surpluses/Retained Earnings/Equity	0.0	0.0	0.0	0.0
Capital Expenditures				
Information Technology	0.1	2.1	0.5	0.5
Facilities & Other	0.1	0.3	0.2	0.2
Dividends/Other Transfers	0.0	0.0	0.0	0.0

(Sm)	2019/20 Forecast	2020/21 Budget	2021/22 Plan	2022/23 Plan
Total Expenses by Nature				
Salaries & Benefits	4.8	79.3	278.9	232.7
Administration, IT and Other	1.0	2.5	3.3	3.3
Professional Services	0.8	1.4	2.2	2.2
Contractors	1.5	0.5	1.0	1.0
Facilities	0.7	0.7	1.0	1.0
Total Revenue	8.8	84.4	286.4	240.2

A majority of the Salaries and Benefits represents those employees that perform construction work on major infrastructure projects.

Key Forecast Assumptions, Risks and Sensitivities

BCIB's budget and forecast reflect the following assumptions:

- Project start dates, along with the project scope and budget are key inputs into establishing workforce labour costs. Any changes to these inputs will impact the Salaries and Benefits and Revenue projections.
- BCIB is streamlining its processes in anticipation for the Pattullo Bridge Replacement and the Broadway Subway, which are both scheduled to start construction in 2020. In the meantime, BCIB will continue providing the workforce for the Highway 1 Kamloops to Alberta Border Four-Laning Program, while building up its operational capacity to meet the requirements of future projects.

Management's Perspective on the Financial Outlook

As a Crown corporation, BCIB is accountable to the public to be fiscally responsible. BCIB will remain financially stable by implementing operational efficiencies and controlling administrative costs. BCIB will streamline processes using data and technology, monitor performance against targets and work towards meeting annual financial metrics.

BCIB is not a capital-intensive organization and has no capital projects valued at more than \$50 million.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

Details of BCIB's corporate governance, including Board of Directors, governance principles and key accountabilities are available online:

[Our Leadership](#)

[Reporting and Resources](#)

Organizational Overview

Details of BCIB's mandate and culture are available online:

www.bcib.ca



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January 14, 2020

Allan Bruce, Chair
BC Infrastructure Benefits Inc.
89 West Georgia Street, Suite 1050
Vancouver, B.C. V6B 6G1

Dear Mr. Bruce:

I would like to extend appreciation on behalf of Premier Horgan and the Executive Council for your dedication, and that of your board members, in leading your organization and helping government deliver on our priorities to British Columbians.

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

Every public sector organization is accountable to the citizens of British Columbia. The expectations of B.C. citizens are identified through their elected representatives, the members of the Legislative Assembly.

This mandate letter, which I am sending in my capacity as Minister responsible for BC Infrastructure Benefits, on behalf of the Executive Council, communicates those expectations for your agency. It sets out overarching government priorities that will inform your agency's policies and programs, as well as specific direction on priorities and expectations for the coming fiscal year.

Our goal is to build a strong, sustainable economy that works for everyone. We are committed to working with you and other Crown Agencies to provide quality, cost-effective services to British Columbia families and businesses. By adopting the Gender-Based Analysis Plus (GBA+) lens

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and Framework for Improving British Columbians' Standard of Living to policy development, we will ensure that equity is reflected in government budgets, policies and programs. You are encouraged to apply the GBA+ lens in your Crown Agency operations and programs. In the same vein, appointments to agencies, boards and commissions reflect government's direction to promote equity and leadership at senior levels in the public and private sectors, with a view to building strong public sector boards that reflect the diversity of British Columbia.

Two key priorities that will underpin lasting prosperity are advancing reconciliation with Indigenous Peoples and moving towards a low-carbon economy.

In November 2019, government passed the *Declaration on the Rights of Indigenous Peoples Act* which represents a crucial step towards true and lasting reconciliation. In keeping with the Calls to Action of the Truth and Reconciliation Commission, the Act was developed in collaboration with the First Nations Leadership Council to create a framework for reconciliation in B.C. All Crown Agencies are expected to incorporate the *Declaration on the Rights of Indigenous Peoples Act* and Calls to Action of the Truth and Reconciliation Commission within their specific mandate and context.

Announced in December 2018, the CleanBC plan puts our province on the path to a cleaner, better future – with a low-carbon economy that creates opportunities while protecting our clean air, land and water. As part of the new accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization plans to align operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk. Please be prepared to work with government to report out on these plans and activities.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2020/21. This will include online training modules and in-person conferences, as government works to support strong public sector boards that reflect the diversity of British Columbia.

As the Minister responsible for BC Infrastructure Benefits, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2020/21 Service Plan:

- Partner in the successful delivery of public infrastructure projects by enabling informed and competitive bids on projects to ensure Community Benefits Agreements are implemented.

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- Mobilize and grow a diverse, safe and skilled workforce through outreach to local communities, indigenous communities and under-represented groups. Ensure the development and tracking of apprenticeship participation and completion rates by working with the Industry Training Authority to enable a supported workforce pathway.
- Honour the diversity and strength of community through the development and delivery of a cultural competency strategy and respectful workplace initiative for all BCIB employees.

Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2020.

I look forward to continuing to work with you and your Board colleagues to build a better B.C.

Sincerely,



Carole James
Minister and Deputy Premier



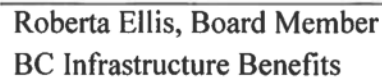
Allan Bruce, Chair
BC Infrastructure Benefits



Anita Atwal, Board Member
BC Infrastructure Benefits



Michael Bonshor, Board Member
BC Infrastructure Benefits



Roberta Ellis, Board Member
BC Infrastructure Benefits

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Gary Kroeker, Board Member
BC Infrastructure Benefits

Clyde Scollan, Board Member
BC Infrastructure Benefits



Kirsten Wilson, Board Member
BC Infrastructure Benefits

At the time of signing Roberta Ellis and Clyde Scollan were no longer Directors of BCIB.

cc: Honourable John Horgan
Premier

Don Wright
Deputy Minister to the Premier and Cabinet Secretary

Lori Wanamaker
Deputy Minister
Ministry of Finance

Heather Wood
Associate Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Irene Kerr
Chief Executive Officer/President
BC Infrastructure Benefits

BRIEFING NOTE
CROWN AGENCIES

Name: British Columbia Securities Commission (BCSC)

Legislative Authority: *Securities Act*, RSBC 1996, c. 418.

Mandate:

The BCSC is the independent provincial agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Its corporate mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence;
- A dynamic and competitive securities industry that provides investment opportunities and access to capital.

Key priorities that form part of the BCSC's 2020/21 mandate include a focus on protecting investors from fraud, taking decisive enforcement action against persons who violate the *Securities Act*, and coordinating and harmonizing regulatory actions with other securities regulators.

Current Appointees:

Chair & CEO: Brenda Leong, appointed until December 31, 2023

Vice Chair: Gordon Robert Johnson, appointed until February 12, 2024

Members:

Audrey T. Ho, appointed until December 31, 2022

Judith B. Downes, appointed until December 31, 2022

George C. Glover, Jr., appointed until December 31, 2021

James William Kershaw, appointed until December 31, 2021

Marion Verile Shaw, appointed until December 31, 2020

Deborah Ann Armour, appointed until December 31, 2020

Deborah Grace Mulhall Abbey, appointed until December 31, 2021

Appointments required:

- Two appointments expire on December 31, 2020 (60-day).

Issue(s):

- BCSC Rules: This is both a 30 and 60 day issue.
- The Securities Act grants the BCSC the power to make rules (which are regulations under the Act) relating to certain aspects of the securities regulatory framework. Ministerial approvals within legislated timelines are part of the rule-making process; 30-day timelines for approvals-in-principle, and 60-day timelines for final rule approvals. If no ministerial decision is received within the legislated period for a final rule approval, the BCSC is deemed to have received approval.

Key Contact:

- Brenda M. Leong
- Chair and Chief Executive Officer
- (604) 899-6647

BC Securities Commission (BCSC)

Ministry of Finance

Governing Legislation

Specific governing legislation:

- *Securities Act*

General governing legislation for all Crown corporations:

- *Budget Transparency and Accountability Act*
- *Financial Administration Act*
- *Financial Information Act*
- *Freedom of Information and Protection of Privacy Act*
- *Information Management Act*
- *Public Sector Employers Act*

Mandate

The BCSC is the independent provincial agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Its corporate mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence;
- A dynamic and competitive securities industry that provides investment opportunities and access to capital.

Key priorities that form part of the BCSC's 2020/21 mandate include a focus on protecting investors from fraud, taking decisive enforcement action against persons who violate the *Securities Act*, and coordinating and harmonizing regulatory actions with other securities regulators.

Advice/Recommendations

Biographies

Brenda M. Leong was appointed Chair and Chief Executive Officer in 2009. In that role, she leads the BCSC's efforts to ensure market integrity and protect investors. She has direct oversight of the offices of the executive director and general counsel and is an ex-officio member of the BCSC's governance, human resources, and audit committees. As a member of the Canadian Securities

BC Securities Commission

Administrators, the North American Securities Administrators, and the International Organization of Securities Commissions, Ms. Leong represents the BCSC on emerging issues in securities regulation. Prior to taking on this role, Ms. Leong served as the BCSC's executive director and chief enforcement officer from 2004 – 2009. She practiced corporate law with a Vancouver law firm earlier in her career.

Gordon Johnson was appointed February 12, 2020 as the Vice Chair of the BCSC. He brings more than 30 years of securities law and senior litigation experience to the BCSC. He joined the BCSC from Borden Ladner Gervais LLP (BLG) where he was a partner with a practice focused on both prosecuting and defending regulatory issues and investment claims and dealing with disputes between investment firms. He served on BLG's national board for six years. He has significant experience in administrative law matters having appeared as counsel before many tribunals, including the BCSC, as well as the British Columbia Supreme Court and the British Columbia Court of Appeal. He received a Bachelor of Laws from the University of British Columbia. He has also served as both co-chair and treasurer of the B.C. branch of the Canadian Bar Association's civil litigation subsection.

Deb Abbey was appointed March 1, 2019. As a former portfolio manager and CEO, Deb Abbey has focused on financial due diligence through enhanced environmental, social and corporate governance risk analysis and disclosure. In 2000, after several years in the investment industry, she founded Real Assets Investment Management, and was the CEO and president of Real Assets, a Vancity Credit Union subsidiary. From 2013 to 2018, she was the CEO of the Responsible Investment Association, developing education and certification programs for the financial services sector. She was appointed to the Order of British Columbia in 2018. She is also a member of the BCSC's Audit Committee.

Deborah "Deb" Armour was appointed February 1, 2019. Most recently she was chief legal officer of the Law Society of British Columbia, where she led the organization's professional regulation department, overseeing areas including complaints, investigations and discipline. Prior to that, she was director of legal and compliance for Powerex Corp., responsible for legal services and implementing a regulatory compliance program. Before joining Powerex, she worked as a senior vice president at Raymond James Ltd. and as general counsel of the Canadian Venture Exchange. Deborah has taught ethics at the University of British Columbia's Allard School of Law. She holds a law degree from the Schulich School of Law at Dalhousie University. She is a member of the BCSC's Governance Committee.

Judith Downes was appointed January 2, 2013. She is a lawyer and retired partner in Bull Houser & Tupper's corporate finance and securities group. She was also an active member of its business law and mining groups. She has experience in structuring and negotiating mergers and acquisitions and all types of equity and debt financings for both public and private entities. She provided advice on a wide range of securities regulatory matters including corporate governance, continuous disclosure obligations, incentive and compensation plans and general corporate matters. Ms. Downes has also been a contributing author on The Continuing Legal Education Society of BC's British Columbia Company Law Practice Manual – Securities Law Issues in Corporate Procedures section. She has an LLB from the University of British Columbia. Ms. Downes is a member of the BCSC's Human Resources Committee.

BC Securities Commission

George C. Glover Jr. was appointed January 3, 2013. He was the former managing partner for Fasken Martineau DuMoulin LLP in Toronto. He practiced business law, with a focus on governance, securities, mergers and acquisitions, and financial institution law across a broad range of businesses. He acted as principal Canadian counsel on several significant Canadian and international transactions. More recently, Mr. Glover was an adjunct professor and director for the Business Law Clinic at the Faculty of Law of the University of Victoria, where he continues as a senior adviser. Glover received his LLB from the University of Toronto. He is chair of the BCSC's Audit Committee and a member of the Governance Committee.

Audrey T. Ho was appointed January 1, 2013. As the former senior vice president, chief general counsel and corporate secretary of TELUS Corporation, Ms. Ho led TELUS's legal strategy to advance the company's strategic objectives and business plans. She led TELUS' legal and compliance teams and over 50 professionals and played an integral role in the company's major initiatives. She also championed the evolution of many TELUS board governance practices that have been externally recognized as exemplary by the Canadian business community. Ms. Ho has a Bachelor of Law from the University of Toronto. Ms. Ho is the chair of the BCSC's Governance Committee and a member of the Human Resources Committee.

James "Jim" Kershaw was appointed February 1, 2019. He is a lawyer and a fellow of the Chartered Professional Accountants of British Columbia. He is currently Pacific region head for TD Wealth Private Wealth Management with responsibility for the investment management, private banking, private trust, wealth preservation and wealth advisory services teams. Prior to joining TD, he was a partner with Davies, Ward and Beck in Toronto and a manager with KPMG in Vancouver. He received his LLB from Queen's University and a Bachelor of Commerce degree from the University of British Columbia. He has been an active participant for many years in various advisory roles related to self-regulatory agencies in the investment industry. Mr. Kershaw is a member of the BCSC's Audit Committee.

Marion Shaw was appointed February 1, 2019. She was a partner and the head of the Corporate Finance and Securities Law Group at Bull, Housser & Tupper LLP (now Norton Rose Fulbright LLP) in Vancouver until her retirement in 2017. Her legal practice focused on mergers and acquisitions transactions, equity and debt financing, corporate governance and regulatory compliance across a range of industries. Ms. Shaw received her law degree from the University of British Columbia. She is a member of the BCSC's Human Resources Committee.

Senior Executive Team

- Brenda Leong, Chair and Chief Executive Officer
- Peter Brady, Executive Director
- Sarah Corrigall-Brown, General Counsel
- Pamela McDonald, Director, Communications and Education
- Linda Cowan, Chief Information Officer
- John Hinze, Director, Corporate Finance
- Mark Wang, Director, Capital Markets Regulation
- Christina Wolf, Chief Economist
- Douglas Muir, Director, Enforcement
- Lynn Joly, Chief Human Resources Officer

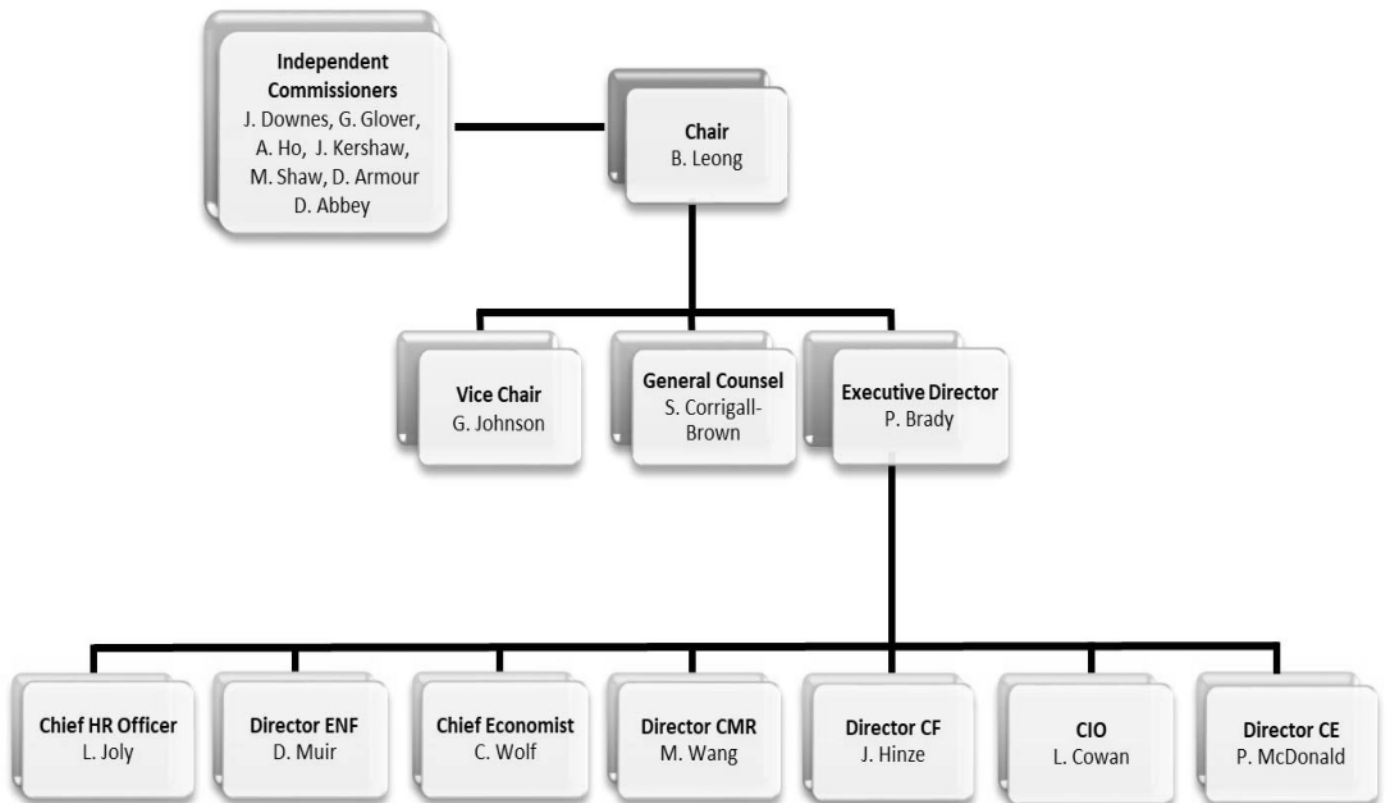
BC Securities Commission

Financial Information:

Fees charged to securities market participants fund the BCSC's operations. Revenues fluctuate with market activity while most expenses are fixed. Over 90% of its revenue comes from filing, registration, and application fees paid by market participants under the *Securities Act*. The remainder of its operational funding comes from investment income and cost recoveries.

(\$ millions)	2019/20 (Actual)	2020/21 (Budget)	2021/22 (Projection)	2022/23 (Projection)
Revenue	63.3	62.7	63.3	76.5
Expense	54.9	60.6	62.9	63.9
Net Income	1.8	1.7	1.7	1.7
Capital Expenditure	4.3	9.8	7.5	6.0

Organization Chart



British Columbia Securities Commission

2020/21 – 2022/23 SERVICE PLAN

February 2020



For more information on the British Columbia Securities Commission contact:

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
12th Floor, 701 W. Georgia Street
Vancouver, B.C. V7Y 1L2

Switchboard: 604 899-6500

Inquiries: 604 899-6854

Toll-free: 1-800-373-6393

inquiries@bcsc.bc.ca

Or visit our website at

www.bcsc.bc.ca

Board Chair Accountability Statement



The 2020/21 – 2022/23 British Columbia Securities Commission (BCSC) Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. I am accountable for the contents of the plan, including what has been included in the plan and how it has been reported. I am responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 6, 2020 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, the British Columbia Securities Commission's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of the BCSC's operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in black ink, appearing to be 'B. Leong', written over a faint circular stamp or watermark.

Brenda Leong
Board Chair and CEO

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Strategic Direction and Alignment with Government Priorities

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy. Crowns are essential to achieving these priorities by providing quality, cost-effective services to British Columbia families and businesses.

Additionally, where appropriate, the operations of Crowns will contribute to:

- The objectives outlined in the Government's newly released A Framework for Improving British Columbians' Standard of Living,
- Implementation of the *Declaration on the Rights of Indigenous Peoples Act* and the Truth and Reconciliation Commission Calls to Action, demonstrating support for true and lasting reconciliation, and
- Putting B.C. on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water as described in the CleanBC plan.

By adopting the Gender-Based Analysis Plus (GBA+) lens to budgeting and policy development, Crowns will ensure that equity is reflected in their budgets, policies and programs.

The British Columbia Securities Commission (BCSC or Commission) is the independent Provincial Government agency responsible for regulating capital markets in B.C. The BCSC's enabling legislation is the *Securities Act*, RSBC 1996 c. 418. Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

The Commission benefits the public by protecting investors and the integrity of B.C.'s capital markets. We:

- Review businesses' offering documents and continuous disclosure so investors have access to information needed to make informed investment decisions
- Review applications for registration from those that trade securities, provide advice, or manage portfolios or investment funds, to ensure they are qualified, ethical, and solvent
- Take action against those who contravene securities laws to deter misconduct and mitigate investor losses
- Educate investors to protect themselves and industry participants to understand how to comply with securities law requirements

The Commission is aligned with the Government's key priorities:

Government Priorities	The BCSC Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • Reviewing and modernizing regulations affecting all issuers (Strategy under Objective 1.2) • Implementing reforms to mutual fund fee structures (Strategy under Objective 1.1)
Delivering the services people count on	<ul style="list-style-type: none"> • Implementing client focused reforms (Strategy under Objective 1.1) • Focusing investor attention on achieving better investment outcomes (Strategy under Objective 2.2) • Promoting fraud awareness among British Columbians (Strategy under Objective 2.2) • Improving market intelligence capability (Strategy under Objective 2.1)
A strong, sustainable economy	<ul style="list-style-type: none"> • Regulating financial technologies to support innovation (Strategy under Objective 1.2) • Implementing a derivatives regime (Strategy under Objective 1.1)

Operating Environment

We work with other Canadian securities regulators through the Canadian Securities Administrators (CSA), an umbrella organization of Canada's provincial and territorial securities regulators, to regulate Canada's capital markets. This includes coordinating on transaction reviews, oversight of market participants operating in multiple jurisdictions and enforcement. While we endeavour to achieve highly harmonized regulations within the CSA, local priorities and imperatives in various jurisdictions may sometimes lead to the adoption of different regulations.

Revenues generated from market participant fees continue to be strong, however, there is a risk of lower fee revenue in the event of a market downturn. We budget conservatively to limit the impact of a market downturn on our operating capacity and consequential ability to effectively regulate the markets.

Excluding investment funds, there are more public companies based in B.C. than in any other province, but most are very small. For this reason, the BCSC continues to explore ways to reduce regulatory burden and support B.C.'s competitiveness as a global venture finance hub in any market environment.

In the wealth management sector, many firms are changing their focus from selling specific products to delivering advice that addresses a wider variety of client needs. Most of these firms are regulated by two national self-regulatory organizations that CSA oversees: The Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA). In the coming year, we expect to participate in a CSA consultation to review the current self-regulatory organization structure to ensure that it meets the needs of an evolving industry and investors.

Trends in the area of financial technology (fintech) are rapidly transforming many traditional financial activities in areas such as wealth management, online lending, and regulatory compliance. Fintech also presents a set of evolving risks and challenges to manage within our regulatory framework. In addition, the global rise of blockchain-based securities, where the records of ownership and trading are tracked in a new form of technology, poses risks in terms of custodial roles, exchange regulation, trade oversight and investment disclosure. The scope of securities regulators' jurisdiction in this area is still being defined. These developments challenge us to keep pace with rapid innovation and the related risks and opportunities for investors.

One area of concern in public markets is a resurgence in abusive promotional and trading activity by a small number of market participants. We are aggressively pursuing this activity, which aligns with our Government's priority to get tougher on white collar crime. This work relates to our broader, integrated approach to creating an environment that discourages misconduct through enhanced intelligence gathering, early intervention tactics to disrupt fraudulent activity, criminal investigations, and a visible and robust financial sanctions collections process.

The *Securities Amendment Act, 2019* will provide the BCSC with stronger powers to protect investors and maintain the integrity of our capital markets. The amendments provide the BCSC with greater opportunities to preserve assets and collect financial sanctions and improve regulation of corporate transactions, and promotional activities for derivatives and benchmarks.

British Columbia is engaged with other participating Canadian jurisdictions on the implementation of the Capital Markets Regulatory Authority (CMRA). We will continue to support our Government with the development of the legislative framework and the transition and integration work necessary to establish the new regulator. The extent to which this work increases in the coming year and the timeframe for launching the initiative could impact our ability to meet key priorities in this plan.

Performance Plan

This section describes the BCSC's two strategic priorities—Goal 1: Support fair, efficient, and innovative Canadian capital markets and Goal 2: Inspire investor confidence. We align objectives and related strategies under each goal to demonstrate how the BCSC intends to work towards achieving these goals. We engage with Ministry of Finance staff on all issues that intersect with Government's priorities and that are key to delivering on our mandate.

In addition, where our mandate intersects with the Government's anti-money laundering efforts – through our regulation of securities registrants and enforcement information and intelligence sharing – we will collaboratively support the Government as it works to improve the effectiveness of B.C.'s Anti-Money Laundering Regime.

The BCSC will also continue to provide expertise and Commission resources to effectively support, develop and implement the CMRA. Should the resource requirements of the CMRA project increase significantly in this fiscal year, Commission resources will need to shift away from other BCSC priority projects in order to provide effective support.

Goal 1: Support fair, efficient, and innovative Canadian capital markets

Objective 1.1: Promote a culture of compliance

Investors are better protected when firms and individuals that trade or advise in securities, and businesses and investment funds that raise money in the capital markets understand and comply with their regulatory obligations.

On the trading and advice side, we register securities firms and their advisors, audit these firms for compliance, and oversee the conduct of the TSX Venture Exchange (TSXV), Canadian Securities Exchange (CSE), Clearing and Depository Services (CDS), IIROC, and the MFDA.

On the capital-raising side, we regulate securities issuers and insiders and review that their mandatory filings meet minimum standards. In addition, we monitor daily trading of over-the-counter derivatives.

Key Strategies:

- Implement a derivatives regime in collaboration with other CSA jurisdictions to fulfill Canada's G20 commitments to regulate over-the-counter derivatives
- Implement client focused reforms together with the CSA to, among other things, resolve conflicts of interest in the best interests of clients, and to also measure the impacts of Client Relationship Model Phase 2 (CRM2) reforms and point of sale disclosure
- Implement reforms to mutual fund fee structures that better align the interests of investment fund managers and dealers/representatives with investors

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.1a Percentage of reviewed issuers that reduce deficiencies ¹ :					
i. Improved disclosure subsequent to a continuous disclosure review	82%	>95%	>95%	>95%	>95%
ii. Improved disclosure to minimum standards	83%	>95%	>95%	>95%	>95%
1.1b Percentage of randomly sampled mining companies that comply with standards for technical disclosure in ² :					
i. Filed disclosure (annual information forms, news releases, management discussion and analysis)	74%	81%	83%	85%	85%
ii. Issuer websites and other voluntary disclosure	68%	77%	81%	85%	85%
1.1c Average number of repeat deficiencies per examination in Capital Markets Regulation ³	0.72	0.71	0.67	0.64	0.64

¹ Data Source: Internal evaluation of subsequent disclosure. In 2018/2019, 9 of 11 files showed improvement in their disclosure and 10 of 12 files met the basic standard for compliance.

² Data Source: Based on a review of 40 randomly selected B.C. mining companies that have not been subject to a continuous disclosure review in the preceding three years.

³ Data Source: Data recorded in established tracking systems.

Linking Performance Measures to Objectives:

- 1.1a When we promote a culture of compliance through our continuous disclosure reviews, public companies become more aware of disclosure requirements. This pair of measures shows the extent to which our detailed continuous disclosure reviews motivate non-compliant issuers to improve their disclosure.
- 1.1b When we promote a culture of compliance through our technical report reviews, mining firms adhere to the specialized disclosure requirements we have for the mining industry. This pair of measures shows the extent to which a sample of B.C.-based mining companies is compliant in specific areas of their technical disclosure.

1.1c Compliance staff rely heavily on repeat deficiencies as a general indication of the state of compliance at a registered firm. Repeat deficiencies are also an indication of whether a firm has allocated sufficient resources to or is focused on effective compliance. Staff frequently refer firms with repeat deficiencies for enforcement or other remedial action. While we aim to reduce average repeat deficiencies over the long term, they may increase in any particular year due to factors such as increases in numbers of new registrants or changes in regulation.

Objective 1.2: Advance cost-effective regulation

We aim to provide strong investor protection and market integrity for an appropriate cost by focusing on three core areas:

- Emphasizing practical solutions
- Using our resources efficiently
- Delivering services reliably

Key Strategies:

- Continue to support the CSA in a multi-year system redesign project to replace various shared software applications including our company and investment fund filing, insider reporting and registration systems
- Regulate financial technologies to support innovation which includes plans to examine an appropriate regulatory framework for the distribution and trading of blockchain-based securities
- Review and modernize regulations affecting companies to reduce regulatory burden including work on alternative systems for public offerings, expanding use of electronic document delivery, and national harmonization of rules for securities-based crowdfunding

Performance Measure:

Performance Measure	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.2 Average score on cost-effective regulation scorecard ¹	98%	90%	90%	90%	90%

¹ Data Source: Internal evaluation based on staff and management judgment and project documents.

Linking Performance Measures to Objectives:

1.2 To advance cost-effective regulation, we need to clearly define problems and tailor cost-effective solutions to these problems. We use a scorecard to track 16 important steps and outcomes in responding to market problems in a way that results in cost-effective regulation. We score and report the average score of all CSA and local policy projects, except those we adopt purely to harmonize with other jurisdictions.

Goal 2: Inspire investor confidence**Objective 2.1: Act decisively against misconduct**

Our Enforcement division focuses on cases with a strong B.C. connection. These include:

- Illegal distributions and fraud
- Market misconduct, including market manipulation and insider trading
- Regulatory compliance, including non-compliance by dealers and issuers

Our objectives are to deter misconduct and mitigate investor losses through early disruption and timely enforcement. To this end, we:

- Gather and act on intelligence, including from the public and other agencies
- Act quickly to stop misconduct and freeze assets
- Investigate and prosecute misconduct, and seek administrative orders from our panel or refer criminal cases to Crown Counsel to prosecute
- Pursue payment of our financial sanctions and return money to harmed investors when possible

Key Strategies:

- Improve market intelligence capability through expanded outreach, and evaluate technological tools, data sources and analytics resources to detect abusive promotions and trading activity
- Improve market analytics capability for enforcement investigations through a shared data repository and data analytics system

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.1a Actions taken to disrupt misconduct					
i. Number of actions	116	124	130	136	143
ii. Average duration of complaint to action (days) ¹	61	52	50	48	46
2.1b Average life of cases either from complaint to a Notice of Hearing (NOH) or from complaint to settlement before an NOH is issued (months) ²	36.2	31.6	Set at start of each fiscal year	Set at start of each fiscal year	Set at start of each fiscal year

¹ Data Source: Data recorded in established tracking systems, primarily the BCSC Enforcement Case Tracking system and in official documents.

² Data Source: We base the fiscal 2019/20 forecast on the average duration of our current portfolio of cases plus the two-year average duration to issue a NOH or enter into a Settlement Agreement.

Linking Performance Measures to Objectives:

- 2.1a Part of acting decisively against misconduct is to take early action to stop the misconduct. We can significantly reduce the harm to the public when we can identify and act quickly to disrupt misconduct. We aim to stop investment schemes before they start and prevent further

participation in existing schemes. Disruptive action provides a visible, valuable benefit to the public. This measure tracks the number of disruptive actions taken by staff.

- 2.1b This measure is an indicator of timely enforcement and measures the average duration of administrative enforcement cases. Timely and thorough investigations provide the public with confidence in the actions we take to address misconduct. For cases open during the fiscal year, we measure the average case duration from start to issuing the Notice of Hearing (NOH) or, absent an NOH, the settlement. Because of the relatively small number of cases we process each year (10-15), a small number of outliers can significantly affect our targets. We set our target at the start of each fiscal year using information from our current caseload, including actual case age and service target timeframes for the enforcement steps outstanding on each case, and calculate the target for average life for those cases that we believe should complete this coming fiscal year.

Objective 2.2: Educate investors

We want British Columbians to understand how investing can help them achieve their financial goals but also to be cautious of emerging investment trends and aware of the warning signs of investment fraud. Through public awareness advertising, we promote awareness of investment fraud and instill financial confidence in investors to help them make informed decisions. Using social media and other channels for investor education, we help investors understand how to make informed investment decisions, including the importance of conducting due diligence.

Key Strategies:

- Promote awareness of investment fraud and BCSC enforcement actions through advertising, online communications and strategic media relations
- Develop a new three-year advertising and research program to further increase our understanding of B.C. investors and our effectiveness at helping them to achieve better investment outcomes

Performance Measure(s)	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.2a Number of views of <i>Investment Fraud Explained</i> video ²	4,137	3,100	3,250	3,400	3,550
2.2b Percentage of B.C. public aware of BCSC ³	40%	41%	43%	45%	47%

² Data Source: BCSC InvestRight YouTube channel.

³ Data Source: Independent survey.

Linking Performance Measures to Objectives:

Note to section: The previous measure for 2.2a was removed to reflect the end of a three-year campaign focused on investment fees. Measure 2.2b is relevant to our current and future advertising and research program.

- 2.2a This measure reflects our move away from in-person to online seminars which achieve broader, more convenient distribution to a wider audience.
- 2.2b Low public awareness of the BCSC is a significant challenge when it comes to delivering investor education to the B.C. public. Our ability to increase awareness of the BCSC is directly linked to the number of people we can reach with the budget we allocate to our public awareness campaigns. The measure aims to aid awareness of the BCSC among the B.C. general population 18 and over.

Financial Plan

Summary Financial Outlook

(\$millions)	2019/20 Forecast	2020/21 Budget	2021/22 Projection	2022/23 Projection
Revenue				
Local filing fees				
Prospectus and other distributions	\$ 30.0	\$ 30.0	\$ 30.6	\$ 31.2
Registration	17.4	18.0	18.4	30.9
Financial filings	5.2	4.8	4.9	5.0
Other fees	0.6	0.6	0.6	0.6
	\$ 53.2	\$ 53.4	\$ 54.5	\$ 67.7
Other revenue				
National systems	\$ 6.5	\$ 7.0	\$ 6.5	\$ 6.5
Enforcement sanctions	0.4	0.6	0.6	0.6
Investment income	1.7	1.7	1.7	1.7
Total revenue	\$ 61.8	\$ 62.7	\$ 63.3	\$ 76.5
Expense				
Salaries and benefits	\$ 34.5	\$ 37.6	\$ 39.3	\$ 40.4
Other local expenses	15.6	17.7	16.8	16.7
Partnership expenses	4.6	5.3	6.8	6.8
Total expenses	\$ 54.7	\$ 60.6	\$ 62.9	\$ 63.9
Surplus	\$ 7.1	\$ 2.1	\$ 0.4	\$ 12.6
Supplementary information				
Total liabilities	\$ 18.6	\$ 18.9	\$ 19.2	\$ 7.4
Unrestricted operating surplus	37.2	36.8	36.7	48.8
Restricted operating surplus	45.8	48.3	48.8	49.3
Local capital expenditures	4.0	5.8	3.5	2.0
Partnership capital expenditures	4.0	4.0	4.0	4.0

Breakdown of Other Local Expenses

(Smillions)	2019/20 Forecast	2020/21 Budget	2021/22 Projection	2022/23 Projection
Occupancy	\$ 4.3	\$ 4.4	\$ 4.0	\$ 3.9
Depreciation	2.4	2.9	3.1	3.0
Professional services	3.0	3.9	3.4	3.4
Information management	2.5	2.7	2.7	2.8
Education	1.5	1.8	1.5	1.5
Administration	0.6	0.6	0.7	0.7
Staff training	0.5	0.5	0.5	0.5
Business travel	0.4	0.4	0.4	0.4
External communications	0.2	0.2	0.2	0.2
Telecommunications	0.2	0.3	0.3	0.3
Other local expenses	\$ 15.6	\$ 17.7	\$ 16.8	\$ 16.7

Key Assumptions and Risks

Key Assumptions

Key assumptions for the 2019/20 forecast are:

- The volume of distributions, registrations, and other filings will remain stable compared to year-to-date results

Key assumptions for the 2020/21 budget are:

- The volume of distributions, registrations, and other filings will remain stable compared to 2019/20
- Registration revenue will increase \$0.6M compared to 2019/20 due to having a full year impact of new fees
- Sanction receipts will increase \$0.2M over average historical experience due to new enforcement powers and increased collections effort
- Investment income will be consistent with 2019/20; interest rates will remain stable
- National systems revenues and Partnership expenses will be similar to 2019/20
- The average number of staff will increase by nine, primarily to increase enforcement capacity, to support regulatory innovation that addresses market changes, and to respond to heightened cyber security risk
- The position vacancy rate will be 5%
- Merit-based salary increases will average 4%
- Local capital expenditures of \$5.8M will include \$3.3M on IT improvements to upgrade local systems and respond to heightened cyber security risk. We will also spend \$2.5M on leasehold improvements as we have entered into a new ten year lease for the office premises that we have occupied since November 2000

Key assumptions for the projections for 2021/22 and 2022/23 are:

- The volume of distributions, registrations, and other filings will grow at 2% per year
- Registration revenue in 2022/23 will increase by \$12.5M due to a change in accounting policy to no longer defer registration fees collected. This one-time adjustment is due to prospective adoption of a new Canadian public sector accounting standard on revenue. The B.C. Comptroller General has not yet decided whether the province will adopt the new revenue standard on a prospective or retrospective basis
- With the implementation of new national systems and revised national systems fees, revenue from national systems will decrease by \$0.5M and Partnership expense for depreciation will increase by \$1.5M compared to 2019/2020
- Investment income will be consistent with 2019/2020; interest rates will remain stable
- The average number of staff will decrease by three compared to 2020/21
- The position vacancy rate will be 5%
- Merit-based salary increases will average 3% each year
- Local capital expenditures will include \$2.0M each year to maintain and upgrade internal systems and information management tools; 2021/22 will include an additional \$1.5M for leasehold improvements

Risks

A government partnership among the BCSC, the Alberta Securities Commission, the Ontario Securities Commission, and the Autorité des marchés financiers (Partnership) contracts with CGI Information Systems and Management Consultants Inc. (CGI) to operate several national electronic filing systems through which we collect most of our fee revenue. CGI maintains comprehensive business continuity plans for these systems.

The Partnership has contracted with CGI to replace several shared filing systems; the Significant IT Project section below discusses risks relating to the project.

We rely on the Partnership projections to estimate our net contribution from the national systems operations. Actual results will differ.

Management's Perspective on the Financial Outlook

The BCSC does not receive taxpayer funding. Most of our revenue comes from local filing, registration, and application fees paid by market participants under the *Securities Act*. In most years, a small portion of our revenue is investment income and enforcement sanctions. Compensation, occupancy, and asset depreciation expenses account for about 82% of local expenses.

Capital markets activity can be volatile, so we hold accumulated reserves to fund operations through market downturns.

In addition to our local operations, in accordance with Canadian public sector accounting standards, we proportionately consolidate twenty-five percent of the assets, liabilities, net assets, revenues and expenses of the Partnership.

The participants in the Partnership have agreed to restrict the use of national system surplus funds to benefit only national filing system users, through system enhancements or usage fee adjustments.

Significant IT Project

The shared systems that we and other Canadian securities regulators rely on to receive filings from public companies, insiders and registrants are more than 15 years old. The Partnership is in the process of replacing these systems with more modern technology and more robust, sophisticated tools. Building strong information infrastructure gives us new tools to promptly detect trading-related misconduct and better serve market participants.

The total project budget is \$112.8M; BCSC's 25% interest is \$28.2M. Capitalized expenditures to date are \$26.7M; BCSC's 25% is \$6.7M.

The project is complex, involves significant effort, and requires achieving consensus among CSA's multiple stakeholders. The project may take longer than expected or cost more than planned. The Partnership has implemented project management and governance controls to manage these risks.

The system will be exposed to the internet to deliver business functions, resulting in cyber risk. To manage this risk, the Partnership is designing the system to industry standards and will follow best practices to protect the systems and detect potential problems.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

- [BCSC governance policy, and the role of the Board of Directors and of each Board Committee](#)
- [Membership list of the Board of Directors](#)
- [Membership list of each Board Committee](#)
- [Names and job titles of senior management](#)
- [Key accountability relationships with Ministers, ministries, and any other significant reporting relationship](#)

Organizational Overview

- [Enabling statute](#)
- [Mandate provided in enabling statute, vision, values, and overall benefit](#)
- [BCSC business areas](#)
- [BCSC stakeholders and partners](#)
- [Location of BCSC operations](#)

British Columbia Securities Commission

2019/20 Annual Service Plan Report



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Board Chair's Accountability Statement



The *British Columbia Securities Commission 2019/20 Annual Service Plan Report* compares the corporation'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, appearing to be 'B. Leong', written in a cursive style.

Brenda M. Leong
Chair and Chief Executive Officer
July 2, 2020

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Letter from the Board Chair & CEO

The BCSC is responsible for protecting investors and supporting fair, efficient and innovative investment markets. We successfully delivered on substantively all of our Service Plan strategies.

Throughout 2019/20, the BCSC honoured Government's commitment to delivering services people can count on through vigorous and sustained enforcement and collections actions. We collected \$714,825 in sanctions and returned an additional \$1.8 million to investors. Our Criminal Investigations Branch had charges approved in two cases and convictions were obtained in three others. A new Trading Unit took steps to combat abusive promotions and trading. We also delivered public awareness campaigns about investment fraud and the basics of investing.

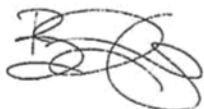
The enactment of amendments to the *Securities Act* provided the Commission with significant new investor protection tools, many of which are the strongest in the country. David Thompson, the BCSC's General Counsel, led the BCSC's legislative project team before his retirement in October 2019. On behalf of the BCSC, I would like to acknowledge David's tremendous contributions to the Commission and thank him for 37 years of dedicated service.

In keeping with Government's commitments to making life more affordable and building a strong, sustainable economy, we finalized significant investor protection rules that will lead to the end of mutual fund deferred sales charges and require registrants to address material conflicts of interest in the best interest of their clients. We also worked on several initiatives that will reduce the regulatory burden on companies and facilitate capital formation, such as rules to streamline market offerings and a national regime for start-up crowdfunding. To support emerging innovative businesses, our Fintech and Innovation Team worked with colleagues across Canada to provide foundational guidance on the application of securities laws to crypto-asset trading platforms.

The BCSC proactively engages with the Ministry of Finance to ensure strategic alignment with the Ministry's objectives. We regularly communicate with the Ministry on policy updates, major enforcement actions and investor education initiatives.

To promote strong Board governance, we provided quarterly education sessions to our Board and delivered a comprehensive orientation program for new Board members, including the CABRO program "Governing in the Public Interest."

Brenda M. Leong



Chair and Chief Executive Officer
British Columbia Securities Commission
July 2, 2020

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 Crown Corporation's Board is required to report on the actual results of the Crown's performance related to the forecasted targets documented in the previous year's Service Plan.

Purpose of the Organization

The British Columbia Securities Commission (BCSC or Commission) is the independent Provincial Government agency responsible for regulating capital markets in British Columbia. The BCSC's enabling legislation is the *Securities Act*, RSBC 1996 c. 418. Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

The Commission benefits the public by protecting investors and the integrity of BC's capital markets. We:

- Review the disclosure that reporting issuers and businesses raising capital must provide to investors to ensure they have information that will help them to make informed decisions
- Review applications for registration from those that trade securities, provide advice, or manage portfolios or investment funds, to ensure they are qualified, ethical, and solvent
- Take action against those who contravene securities laws to deter misconduct and mitigate investor losses
- Educate investors to protect themselves and industry participants to understand how to comply with securities law requirements

Strategic Direction

The strategic direction set by Government in 2019/20 and expanded upon in the *Board Chair's Mandate Letter* from the Minister Responsible in 2019 shaped the *2019/20 British Columbia Securities Commission Service Plan* and results in this Report.

The BCSC's key objectives aligned with the Government's key priorities:

Government Priorities	The BCSC aligns with these priorities by:
Making life more affordable	<ul style="list-style-type: none"> • Reviewing and modernizing regulations affecting reporting issuers (Strategy 7) • Implementing reforms to mutual fund fee structures (Strategy 3)

Delivering the services people count on	<ul style="list-style-type: none"> • Implementing client focused reforms (Strategy 2) • Focusing investor attention on achieving better investment outcomes (Strategy 11) • Promoting fraud awareness among BC residents (Strategy 10) • Improving market intelligence capability (Strategy 8)
A strong, sustainable economy	<ul style="list-style-type: none"> • Regulating financial technologies to support innovation (Strategy 6) • Implementing a derivatives regime (Strategy 1)

Operating Environment

The BCSC coordinates its policy, compliance and enforcement work with other provincial and territorial securities regulators through the Canadian Securities Administrators (CSA). During the year, certain CSA members received regulatory burden reduction directives from their governments, which impacted development of regulation and caused the CSA to re-evaluate its approach to several ongoing projects. For example, the committee charged with implementing a derivatives regime was required to consider substantial changes to several rules that had been published for comment. In addition, the Ontario government’s decision not to adopt CSA rules that will ban mutual fund deferred sales charges, delayed adoption and impacted the BCSC’s goal of developing nationally harmonized rules.

Early in the year, we faced the challenge of an expiring occupancy lease during an increasingly competitive market for commercial space in downtown Vancouver. We addressed this risk through a public tender for space, which resulted in competitive terms for a new 10 year lease in our current office.

Like all BC government agencies, the BCSC experienced the full impact of the COVID-19 pandemic in March. We were able to continue to deliver near uninterrupted services to market participants and the investing public through a relatively seamless move to working from home. However, as explained under Strategy 12 below, we delayed the launch of our new public website to minimize interruptions to market participants and ensured that it went live at a time when stakeholders were ready to appreciate its benefits.

COVID-19 did not have a significant financial impact on BCSC in 2019/20. Our revenues come primarily from fees paid by market participants, and revenues were strong for most of the year, which is reflected in our financial results. However, we have been monitoring market trends and the impact of the pandemic on market participants and the broader economy to assess the level of risk to our operating capacity going forward.

Report on Performance: Goals, Objectives, Measures and Targets

This section addresses the BCSC's strategic priorities – Goal 1: Support fair, efficient, and innovative Canadian capital markets and Goal 2: Inspire investor confidence. We align objectives and related strategies under each goal to demonstrate how the BCSC worked towards achieving these goals.

Goal 1: Support fair, efficient, and innovative Canadian capital markets

Objective 1.1: Promote a culture of compliance

Investors are better protected when firms and individuals that trade or advise in securities, and companies that raise money in the capital markets, understand and comply with regulatory obligations.

Regarding trading and advice, we register securities firms and their advisors, refusing applications from unsuitable candidates. We audit these firms routinely for compliance. We also oversee conduct of the TSX Venture Exchange, Clearing and Depository Services, the Investment Industry Regulatory Organization of Canada (IIROC), and the Mutual Fund Dealers Association, all of which are recognized in BC. As well, we jointly oversee conduct of the Canadian Securities Exchange (CSE) with the Ontario Securities Commission (OSC).

Regarding capital raising, we regulate both public companies and insiders, reviewing mandatory disclosure filings. We monitor daily trading of over-the-counter (OTC) derivatives and the private placement of securities by companies required to report to the BCSC.

Key Highlights

Strategy 1: Implement a derivatives regime

This year we continued to make progress in implementing an OTC derivatives regime which meets Canada's G-20 commitments and international standards. We continued work on national instruments including NI 93-101 (*Derivatives: Business Conduct*), NI 93-102 (*Derivatives: Registration*) and NI 25-102 (*Designated Benchmarks and Benchmark Administrators*). In addition, we finalized amendments to NI 24-102 (*Clearing Agency Requirements*).

Strategy 2: Implement client focused reforms

In October 2019, the CSA adopted the client focused reforms (CFR) to NI 31-103 (*Registration Requirements, Exemptions, and Ongoing Registrant Obligations*) and Companion Policy 31-103CP (*Registration Requirements, Exemptions, and Ongoing Registrant Obligations*). The CFR will require registrants to put client interests first when assessing the suitability of an investment and resolve conflicts of interest in the best interest of clients. The CFR provisions related to conflicts of interest will come into effect on June 30, 2021, and the remaining provisions will come into effect on December 31, 2021. Preparations for implementation will continue into next fiscal year.

Strategy 3: Implement reforms to mutual fund fee structures

In February 2020, the CSA (except Ontario) announced advance notice of adoption of rules that will lead to the end of deferred sales charges (DSC) on mutual funds. The rules – which take effect in 2022 across all provinces and territories except Ontario – will prohibit fund organizations from paying upfront sales commissions to dealers. This is a significant investor protection initiative. The CSA considered alternatives to a DSC ban, including regulating sales through a series of restrictions (as Ontario is proposing), but concluded this option would only partially mitigate investor harms. The CSA, including Ontario, also announced in December 2019 that it will publish final amendments next fiscal year to ban the payment of trailing commissions to dealers (e.g. order-execution-only discount brokers) that do not provide suitability advice.

Strategy 4: Modernize the offering memorandum

Issuers can use the offering memorandum (OM) exemption to raise money from any BC investor. We are co-leading a CSA project to modernize OM disclosure required when issuers use that exemption to raise capital. Current requirements do not reflect the increasingly complex businesses that are using the OM exemption. We are revising these disclosure requirements so investors receive more relevant information. We anticipate publishing the proposals for comment next fiscal year.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
1.1a Percentage of reviewed issuers that reduce deficiencies: ¹					
i. Improved disclosure subsequent to a continuous disclosure review	83%	>95%	100%	>95%	>95%
ii. Improved disclosure to minimum standards	82%	>95%	100%	>95%	>95%
1.1b Percentage of randomly sampled mining companies that comply with standards for technical disclosure in: ^{1, 2}					
i. Filed disclosure (annual information forms, news releases, management discussion and analysis)	74%	81%	75%	83%	85%
ii. Issuer websites and other voluntary disclosure	68%	77%	68%	81%	85%
1.1c Average number of repeat deficiencies per examination in Capital Markets Regulation ³	0.72	0.71	1.05	0.67	0.64

Data source:

¹Internal evaluation of subsequent disclosure.

²Based on a review of 40 randomly selected BC mining companies that had not been subject to a continuous disclosure review in the preceding three years.

³Data recorded in established tracking systems.

Discussion of Results

1.1a) This fiscal year, we reviewed 18 files, eight of which had compliant disclosure. Of the remaining 10 files, all improved their disclosure upon receiving instruction from the BCSC to do so. Of the total 18 files reviewed, all met the basic standard for compliance. The large change between our 2018/19 and 2019/20 actuals is a matter of small sample size. In 2018/19, of the 11 files we reviewed, nine met the minimum disclosure standard. This year, each of the issuers we reviewed complied, resulting in 100% improved disclosure to the standard. Due to the small sample size, the results can vary significantly from one year to the next.

1.1b) We did not meet these targets. We evaluated disclosure of randomly selected mining companies for compliance with 20 requirements of NI 43-101, by reviewing certain required filings and voluntary disclosure. Filed disclosure improved marginally over the last year, while voluntary disclosure compliance remained unchanged.

The current metrics do not consider technical reports, a key mining disclosure document, and we are unable to incorporate technical report compliance in our current measurement system. Instead, we are developing a new metric that will better monitor mining disclosure compliance based on an annual reduction in deficiencies identified during our ongoing technical disclosure review program (which includes technical reports). We believe the new metric will serve as a better proxy for the BCSC mining team's effectiveness. Our goal is to have the new metric approved for the Fiscal 2021/22 Service Plan.

1.1c) A small number of firms had significant repeat deficiencies, impacting overall data. The higher number of repeat deficiencies may demonstrate that our risk-based exam selection is working, in that we are identifying firms that are more likely to have compliance deficiencies. A higher number of repeat deficiencies resulted in an increased number of compliance actions and enforcement referrals as compared to last year.

Objective 1.2: Advance cost-effective regulation

We aim to provide investor protection and support market integrity at a reasonable cost by focusing on three core areas:

- Emphasizing practical solutions: When the market cannot fix market problems, we look at the full range of potential regulatory responses and advance only those that will provide significant benefits
- Using resources efficiently: We deploy resources through risk management, teamwork and relevant performance measures
- Delivering services reliably: We deliver key regulatory services on a timely basis, recognizing that delay adds costs for market participants

Key Highlights

Strategy 5: CSA systems redesign

This year, the CSA continued work on the first of three phases of the National System Renewal Project. The most significant work was:

- Completing the second of five development “sprints” to configure the system functionality that will consolidate most issuer-focused functionality in existing systems
- Continued migration of existing system data
- Beginning development of jurisdictions’ local system interfaces

Development work will continue through next fiscal year.

Strategy 6: Regulate financial technologies to support innovation

The BCSC continued to explore the intersections between financial services, technological innovation, and the need for regulation of fintech. We strived to keep pace with - and properly control - emerging risks while also testing new business models and opportunities. To this end, we:

- Led the CSA in publishing proposed NI 45-110 (*Start-up Crowdfunding Registration and Prospectus Exemptions*) in February 2020 for comment
- Formed the BCSC Fintech Advisory Forum to advise BCSC staff on fintech trends and developments
- Published CSA Staff Notice 21-327, which provides guidance to crypto-asset trading platforms (CATP) on how their trading on behalf of clients could trigger securities laws
- Reviewed responses to CSA/IROC Joint Consultation Paper 21-402, which sought feedback on proposed securities regulatory framework that applies to CATPs
- Facilitated the test of various business processes and models through the CSA Regulatory Sandbox

The BCSC has also continued its international activities as a member of the Global Fintech Innovation Network and through the International Organization of Securities Commissions.

Strategy 7: Review and modernize regulations affecting reporting issuers

In fiscal 2019/2020, together with the CSA, we continued work on six initiatives to reduce regulatory burden for non-investment fund issuers without compromising investor protection or capital market efficiency:

- Removing or modifying business acquisition report (BAR) requirements
- Codifying at-the-market offering requirements
- Revisiting the financial statements needed when preparing an initial prospectus
- Considering alternative prospectus offering models
- Streamlining duplicative continuous disclosure requirements
- Facilitating the electronic delivery of disclosure required under securities law

We are co-leading two CSA projects:

- Removing or modifying BAR requirements. This year, we published for comment proposed amendments that would significantly reduce the circumstances in which a reporting issuer would be required to file a BAR, while still ensuring disclosure of meaningful business acquisitions

- Consideration of alternative prospectus models. This project incorporates our previous work on modernization of the resale regime. This year, we developed a proposal for a small offering prospectus exemption to facilitate capital raising for reporting issuers at a lower issuer effort and cost. We also developed a proposal to facilitate capital raising for large issuers by easing certain requirements for filing a base shelf prospectus

We are participating in multiple CSA projects:

- Streamlining at-the-market offerings. This year, we published for comment proposed amendments that would codify the exemptive relief required for a reporting issuer intending to conduct an at-the-market offering, with additional changes aimed at further reducing the regulatory burden associated with these offerings
- Clarifying which financial statements are needed when preparing an initial prospectus offering. This year, we developed a harmonized proposal that would provide greater clarity to issuers preparing an initial prospectus and expect to publish the proposed amendments for comment in calendar 2020
- Streamlining continuous disclosure requirements
- Facilitating electronic delivery of documents required to be delivered under securities legislation. This year, we published a consultation paper on a proposed “access equals delivery” model

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
1.2 Average score on cost-effective regulation scorecard ¹	98%	>90%	98% ²	>90%	>90%

Data source:

¹Internal evaluation based on staff and management judgment and project documents.

²In fiscal 2019/20, we had four policy projects that qualified for review.

Discussion of Results

1.2) We met this target. We use a scorecard to track 16 important steps and outcomes in responding to market problems in a way that results in cost-effective regulation. We score and report the average score of all CSA and local policy projects completed each year. This analysis does not include rules that we adopt purely to harmonize with other jurisdictions, simple exemptions, or circumstances where we are fully reliant on the policy work of other CSA members. The target of greater than 90% is set so that, on average, we achieve our objectives if we hit the standards on the scorecard in all but one area. This year, we scored four completed policy initiatives, with one policy having one step that did not meet the outcomes-based test.

Goal 2: Inspire investor confidence

Objective 2.1: Act decisively against misconduct

Our Enforcement division focuses on cases with a strong BC connection. These include:

- Illegal distributions and fraud
- Market misconduct, including market manipulation and insider trading
- Regulatory compliance, including non-compliance by dealers and issuers

Our objectives are to deter misconduct and mitigate investor losses through early disruption and timely enforcement. To this end, we:

- Conduct investigations, leading to settlements or administrative hearings before the Commission
- Identify and freeze assets to preserve property for distribution to victims of misconduct
- Pursue collection of financial sanctions
- Issue temporary orders to stop misconduct immediately
- Issue investor alerts about suspected misconduct in progress
- Educate investors about the warning signs of investment fraud and encourage early reporting of suspicious activity
- Together with other policing agencies, pursue criminal investigations and refer appropriate cases to Crown Counsel for prosecution

Key Highlights

Strategy 8: Improve market intelligence capability

One of the main objectives in this multi-year strategy was creating a new branch in Enforcement – the Trading Unit (TU). This year we staffed the TU, developed its structure, and defined its mandate. The TU assessed over 311 matters this year, which led to 10 referrals to other divisions or agencies, nine disruptive actions, 31 investigated matters, and five files referred to other Enforcement branches for criminal and administrative investigations, or litigation. While not assessing or investigating, the TU took a number of steps to address the risks associated with aggressive promotions used to impact the market activity of shares in BC reporting issuers. This included:

- Identifying issuers who demonstrate some of the hallmarks associated with this risk
- Obtaining data from OTC Markets to help identify issuers with active promotions
- Commencing ad hoc surveillance using a new quotation system
- Identifying Commission operational needs in the area of data analytics and technology to improve intelligence and detection capabilities

Strategy 9: Improve market analytics capability for enforcement investigations

Together with other CSA jurisdictions, we continued to develop the first phase of a data analytics system – Market Analysis Platform (MAP) – that will include an equity data warehouse and priority enforcement tools for trade matching and trading data exploration.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
2.1a Actions taken to disrupt misconduct ¹					
i. Number of actions	116	124	119 ¹	130	136
ii. Average duration of complaint to action (days)	61	52	70 ¹	50	48
2.1b Average life of cases either from complaint to a Notice of Hearing (NOH) or from complaint to settlement before an NOH is issued (months) ²	36.2 ²	31.7	31.0 ¹	35.7 ²	Set at start of each fiscal year

Data source:

¹Data recorded in established tracking systems, primarily the BCSC Enforcement Case Management system and in official documents.

²We base fiscal 2020/21 target on our current portfolio of cases, and on the likelihood that an NOH or settlement agreement will be issued within 12 months.

Discussion of Results

2.1a) We measure the number of actions taken to disrupt active misconduct, and we measure the average time between receiving the complaint and taking action. We did not meet our targets for the current fiscal year; however, we have increased the number of actions year-over-year for the past three years and in some cases took action to advance files that we do not record as disruptive action. The average duration from complaint to action increased because of case-specific issues such as delays in obtaining evidence.

2.1b) We measure the average case duration from complaint to issuance of an NOH or, absent an NOH, a settlement agreement. Timely and thorough investigations provide the public with confidence in the actions we take to address misconduct. Many factors impact the life of a case – including case complexity, delays receiving documents and delays obtaining testimony from witnesses. While we met our target this year with an average life per case of 31 months, it was not a result of a change we made. The factors that affect case life simply did not extend case life as much in the year. We have set our targets next year to take these factors into consideration.

Objective 2.2: Educate investors

We want British Columbians to understand how investing can help them achieve their financial goals but also to be cautious of emerging investment trends and aware of the warning signs of investment fraud. Through public awareness advertising, we promote awareness of investment fraud and instill financial confidence in British Columbians to help them make informed investment decisions. Using social media and mass media channels, we help investors understand novel investment types and the need to conduct adequate due diligence.

Key Highlights

Strategy 10: Promote fraud awareness among BC residents

This year we extended the duration of our March Fraud Prevention Month campaign by 50% with an early campaign launch. We used a wide variety of media touch points to educate British Columbians on how to recognize, reject, and report investment fraud. The *Don't Be Part of a*

Fraud campaign theme focused on affinity fraud which, according to our research, is the least-recognized fraud warning sign. The campaign aired across radio, television, print, online, and social media. This year we expanded our reach to include podcasts, digital transit shelters and in restaurants and bars in order to reach British Columbians in their late 20s and 30s, who were least likely to recognize the warning signs of affinity fraud. In-language fraud prevention radio ads aired for Cantonese, Mandarin, and Punjabi audiences. Due to the onset of COVID-19, the campaign was suspended six days early.

Strategy 11: Focus investor attention on achieving better investment outcomes

This year we conducted research that will set the foundation for a new three-year campaign and to gain a better understanding of why British Columbians choose to participate, or not, in BC capital markets. We learned what level of knowledge many British Columbians have when it comes to investments and the investment markets. We learned that British Columbians want to see themselves as investors and that they want to get investment education from a trusted, unbiased source, like the BCSC, and we planned to build a new campaign with these underpinnings. As a result of COVID-19 it will be important to revisit these research findings and reassess our path forward.

Strategy 12: Create a new BCSC website

This year, we entered into a competitive Request For Proposal process for the redesign of the BCSC website. The tender included work for the website redesign, a new content management system, and a cloud hosting solution. Working with our consultant over the past nine months, we have engaged numerous internal subject matter experts and third party specialists in web design and development. While our consultant completed the work on the new website by March 31, we decided to delay the public launch due to impacts from COVID-19.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
2.2a Percentage of BC investors who strongly agree they have a good understanding of how fees impact the returns on their investments	22%	23%	N/A ³	N/A	N/A
2.2b Number of video views of <i>Investment Fraud Explained</i> seminar video ¹	4,137	3,100	4,377	3,250	3,400
2.2c Percentage of BC public aware of BCSC ²	40%	41%	43%	43%	45%

¹Data source: BCSC InvestRight YouTube channel.

²Data source: Independent survey. Data received by the BCSC in report form.

³This measure has been discontinued.

Discussion of Results

2.2a) Our three year campaign focused on investment fees concluded in the 2018/19 fiscal year. We are, therefore, no longer measuring it.

2.2b) We met this target. Views are a direct result of an online advertising campaign targeting British Columbians seeking “investment services” and users identified by Google as “avid investors.” Targeting users by these categories increased the likelihood of reaching active investors rather than the general public.

2.2c) We met this target. We collect this information as part of an annual online survey to measure awareness, recall and impact of our public awareness campaigns among 2,000 British Columbians aged 18 years and older. We report on aided awareness with the question “*As you may know, there is a provincial agency in British Columbia responsible for regulating securities investments called the BC Securities Commission. Now that we have mentioned the BC Securities Commission, how familiar would you say you are with this agency?*” Low public awareness of the BCSC is a significant challenge when it comes to delivering messages and education to the BC public. Our ability to increase awareness of the BCSC is directly linked to the number of people we can reach with the budget we allocate to our public awareness campaigns.

Financial Report

Discussion of Results

For the Year Ended March 31, 2020

Highlights

We prepared this discussion of financial position and results of operations of the British Columbia Securities Commission (BCSC) on May 7, 2020. Read it in conjunction with our audited financial statements for the year ended March 31, 2020.

We report in Canadian dollars. We round totals and percentages. Year references are to fiscal years ending March 31.

BCSC is the provincial Crown corporation responsible for regulating BC investment market activity. Results include 25 percent of a government partnership (Partnership) that operates certain shared information systems. We refer to all other operating results as local.

The results from operations for the year ended March 31, 2020 were a surplus of \$8.4 million, which is \$5.3 million above budget. The total surplus is comprised of \$5.7 million for local operations and \$2.7 million for Partnership operations.

The key operating budget variances were:

- Registration revenue was \$1.7 million (10%) higher than budget due primarily to a higher than expected number of individual registrants
- Distributions revenue was \$1.6 million (5%) higher than budget due primarily to higher than expected prospectus percentage of proceeds fees and exempt distributions fees
- Investment income was \$0.9 million (100%) higher than budget due to higher than expected balances available to invest and higher than expected returns
- Local professional services expense was \$1.3 million (58%) higher than budget due to collections and other enforcement activities; this variance was offset by lower than budgeted spending on local salaries and benefits, information management and business travel, with the result that local expenses were on budget overall
- Partnership expenses were \$0.9 million (16%) below budget due to the timing of national systems projects

The key capital budget variances were:

- Partnership capital spending on information technology was \$4.0 million lower than budget due to timing of the work on national systems projects

Financial Results Summary

<i>(millions)</i>	2019	2020	2020	2020
	Actual	Budget	Actual	Variance
Revenue				
Regulatory and other local fees:				
Distributions	\$ 27.1	\$ 28.6	\$ 30.2	\$ 1.6
Registration	13.5	16.6	18.3	1.7
Financial filings	4.8	5.2	5.1	(0.1)
Exemptive orders and other fees	0.4	0.7	0.5	(0.2)
	\$ 45.7	\$ 51.1	\$ 54.1	\$ 3.0
Other revenue:				
National systems access and usage fees	\$ 6.5	\$ 6.5	\$ 6.5	\$ –
Enforcement sanctions	5.2	0.5	1.0	0.6
Investment income	1.4	0.9	1.8	0.9
	\$ 13.1	\$ 7.9	\$ 9.2	\$ 1.5
Total revenue	\$ 58.8	\$ 59.0	\$ 63.3	\$ 4.3
Expense				
Local salaries and benefits	\$ 31.0	\$ 35.9	\$ 35.3	\$ (0.6)
Other local expenses	13.7	14.5	15.0	0.5
National systems expenses	4.8	5.5	4.6	(0.9)
Total expenses	\$ 49.5	\$ 55.9	\$ 54.9	\$ (1.0)
Surplus	\$ 9.3	\$ 3.1	\$ 8.4	\$ 5.3
Supplementary Information				
Unrestricted surplus	\$ 32.7	\$ 30.1	\$ 38.9	\$ 8.8
Restricted surplus	\$ 43.2	\$ 45.0	\$ 45.9	\$ 0.9
Local capital expenditures	\$ 2.3	\$ 2.2	\$ 2.6	\$ 0.4
Partnership capital expenditures	\$ 2.2	\$ 5.7	\$ 1.7	\$ (4.0)
Debt	\$ –	\$ –	\$ –	\$ –

Variance and Trend Analysis

Revenues

The BCSC does not receive taxpayer funding. Most of our revenue comes from local filing, registration, and application fees paid by market participants under the *Securities Act*. Our revenue also includes 25 percent of the national systems access and usage fees earned by the Partnership. The remainder of our revenue is investment income and enforcement sanctions.

Proportion of total revenue by source and year

	2016	2017	2018	2019	2020
Distributions	49%	50%	52%	46%	48%
Registration	24%	25%	24%	23%	29%
Financial filings	10%	10%	9%	8%	8%
National systems access and usage fees	13%	13%	12%	11%	10%
Enforcement sanctions and other	4%	2%	3%	12%	5%
Total	100%	100%	100%	100%	100%

Local revenue

(thousands)	2020 Actual versus Budget				2020 versus 2019			
	Actual	Budget	Variance	%	2020	2019	Variance	%
Distributions	\$ 30,163	\$ 28,600	\$ 1,563	5%	\$ 30,163	\$ 27,108	\$ 3,055	11%
Registration	18,265	16,600	1,665	10%	18,265	13,513	4,752	35%
Financial filings	5,116	5,200	(84)	(2%)	5,116	4,756	360	8%
Exemptions and other	494	700	(206)	(29%)	494	363	131	36%
Enforcement sanctions	1,029	450	579	129%	1,029	5,207	(4,178)	(80%)
Investment income	930	400	530	133%	930	597	333	56%
	\$ 55,997	\$ 51,950	\$ 4,047	8%	\$ 55,997	\$ 51,544	\$ 4,453	9%

We collect the following fees:

- *Distribution fees*, from companies and investment funds, to file offering disclosure documents, which can include fees related to proceeds of the offering
- *Registration fees*, from firms and individuals, to register with us to sell or advise on investments
- *Financial filings fees*, from public companies and investment funds, to file annual and interim financial statements
- *Other fees*, from market participants, primarily to request *Securities Act* exemptions

Distributions revenue was \$1.6 million (5%) higher than budget, due primarily to higher than expected prospectus percentage-of-proceeds fees and exempt distributions fees. Distributions revenue was \$3.0 million (11%) higher than the preceding year due primarily to the impact of fee changes that became effective December 30, 2018.

Registration revenue was \$1.7 million (10%) higher than budget due primarily to a higher than expected number of individual registrants. Registration revenue was \$4.8 million (35%) higher than the prior year due primarily to the impact of fee changes that became effective December 30, 2018.

Enforcement sanctions

We vigorously pursue outstanding sanctions arising from our enforcement actions. We register all our decisions with the Supreme Court and then use whatever tools we can to collect. For example, we seize and sell assets, garnish bank accounts, and compel debtors to enter into court ordered payment plans. We start lawsuits to recover assets and participate in other court proceedings that return money to investors.

Sanctions include administrative penalties, disgorgement orders, and amounts owing under settlement agreements. Millions of dollars have been returned to investors through our disgorgement process and court proceedings.

Enforcement sanctions revenue depends on the timing of enforcement actions completed during the year and on our ability to collect assessed amounts. During the year, we assessed sanctions of \$4.1 million. We collected \$0.7 million of which \$0.6 million related to sanctions imposed in the current year and \$0.1 million related to sanctions imposed in prior years. In the preceding year we collected \$5.2 million which included \$4.9 million relating to the Bossteam case.

We have a claims process for investors for any money that we obtain in payment of BCSC disgorgement orders. The Commission allocates to its education fund amounts collected for disgorgement orders that the Commission has not paid to investors after adjudicating all claims, as well as revenue from administrative penalties, and settlement agreements. We only use the education fund to educate securities market participants and the public about investing, financial matters, and the operation and regulation of securities markets.

Investment income

Our main investment objectives are capital preservation and liquidity to meet our expenditure commitments. We invest funds that we expect to access in the short-term (up to 1 year) or medium-term (1 to 2 years) in bank deposits, or in investment pools managed by the British Columbia Investment Management Corporation. At March 31, 2020 we had \$21.1 million in local demand deposits that currently earn higher risk-adjust returns than the short term investment pools. The Partnership's investments are in redeemable term deposits and guaranteed investment certificates.

Expenses

Expenses relate to local operations and Partnership operations.

Salaries and benefits and occupancy costs account for about 78 percent of local expenses.

Most Partnership expenses are fees paid to the contracted IT service provider, and for the compensation of Partnership employees.

Local and Partnership operations are exempt from income taxes. Locally, we pay PST (7%) and GST (5%) on taxable purchases, but recover the GST. Partnership fees are HST-exempt and the Partnership pays recoverable HST on taxable purchases.

Local expenses

Employee compensation accounts for approximately 70 percent of local expenses. We compete for professional staff with law and accounting firms, the securities industry, and other regulators. Like most of our competitors, our compensation package includes performance-based salary increases. To remain competitive, we conduct periodic salary surveys and make adjustments as appropriate within provincial compensation guidelines.

We engage consultants when we need specialized services or when outsourcing is more cost-effective than performing the work ourselves. Fiscal 2020 professional service costs related primarily to legal services, our share of CSA project and management costs, legislative counsel services, interview and hearing transcription services, internal and external audit services, and HR consulting.

We run local operations from a downtown Vancouver office to be close to the market participants that we regulate. Our 68,000 square feet of space cost us about \$56 per square foot for 2020, under leasing arrangements that expire in November 2031.

We educate the public and market participants about investing, financial matters and the regulation of investment markets. Most of the education spending in 2020 was on investor education.

Our local capital spending and related depreciation relate primarily to information systems. Our information management costs include fees for software licensing and maintenance and electronic information services.

Other operating expenses include administration, telecommunications, business travel, training, and external communications.

<i>(thousands)</i>	2020 Actual versus Budget				2020 Actual versus 2019			
	Actual	Budget	Variance	%	2020	2019	Variance	%
Salaries and benefits	\$ 35,287	\$ 35,900	\$ (613)	(2%)	\$ 35,287	\$ 31,048	\$ 4,239	14%
Occupancy	3,808	3,800	8	0%	3,808	3,463	345	10%
Professional services	3,626	2,300	1,326	58%	3,626	2,461	1,165	47%
Information management	2,189	2,650	(461)	(17%)	2,189	1,955	234	12%
Depreciation	2,102	2,220	(118)	(5%)	2,102	2,441	(339)	(14%)
Education	1,422	1,500	(78)	(5%)	1,422	1,768	(346)	(20%)
Other	1,839	1,990	(151)	(8%)	1,839	1,592	247	16%
	\$ 50,273	\$ 50,360	\$ (87)	(0%)	\$ 50,273	\$ 44,728	\$ 5,545	12%

Total expenses for local operations were on budget. Higher than budgeted spending on professional services offset savings in other areas including salaries and benefits, information management and business travel. Additional professional services expenses were incurred to support enforcement activities and to pursue collection of sanctions.

Local salaries and benefits expense was \$4.2 million (14%) higher than the preceding year due to filling new positions and vacancies principally to increase enforcement and compliance capacity, merit-based salary increases, and higher costs for health benefits as we transitioned to the new employer health tax.

Partnership

Effective April 2, 2013, the BCSC, Alberta Securities Commission, Ontario Securities Commission, and Autorité des marchés financiers (collectively, the Principal Administrators or PAs), agreed to oversee certain shared information systems on behalf of the CSA. Each of the PAs has one vote on national systems matters. The Partnership is a government partnership under Canadian Public Sector Accounting Standards. Accordingly, our financial statements include 25 percent of the assets, liabilities, net assets, revenues and expenses of the Partnership.

<i>(thousands)</i>	2020 Actual versus Budget			2020 Actual versus 2019		
	Actual	Budget	Variance	2020	2019	Variance
National systems access and usage fees	\$ 6,453	\$ 6,500	\$ (47)	\$ 6,453	\$ 6,523	\$ (70)
Partnership investment income and other	837	500	337	837	757	80
National systems expenses	4,638	5,500	(862)	4,638	4,790	(152)
Surplus	\$ 2,652	\$ 1,500	\$ 1,152	\$ 2,652	\$ 2,489	\$ 163

The surplus for Partnership operations was \$1.2 million (77%) higher than budget and was comparable to the surplus in 2019. National systems expenses were \$0.9 million (16%) lower than budget due to the timing of work on national systems projects.

Tangible Capital Assets

Additions to local tangible capital assets of \$2.6 million were primarily for IT infrastructure upgrades. Additions to the Partnership information technology of \$1.7 million relate to development of new national systems.

Risks and Uncertainties

We practice enterprise risk management to identify and manage our risks and support our strategic planning process. We maintain a business continuity plan to restore critical functions within hours.

Investment markets activity can be volatile, causing local revenue to fluctuate. We hold accumulated reserves to fund local operations through market downturns. The impact of COVID-19 on investment markets could decrease BCSC fee revenues over the coming years, but it is too early to estimate the impact.

The Partnership funds operations primarily from fees paid by market participants. Market volatility does not significantly affect Partnership fees. In addition, the Partnership has an accumulated surplus sufficient to fund operations through a sustained period of no or low usage fees.

Under an agreement with CGI Information Systems and Management Consultants Inc. (CGI) that ends on January 12, 2022, CGI hosts and operates several national systems through which we collect most of our fee revenue. CGI maintains a comprehensive business continuity plan for these systems.

Internal control over financial reporting (ICFR)

During the year, we reviewed our ICFR processes and updated documentation where necessary. No changes occurred during the year ended March 31, 2020 that materially affected, or are likely to materially affect, our ICFR. Our internal auditors tested operating effectiveness of our ICFR as at March 31, 2020 and concluded that the ICFR was operating effectively and that there are no material weaknesses.

Management's Responsibility for Financial Reporting

Management is responsible for the integrity and fair presentation of the financial statements and other financial information included in this annual service plan report. Management has prepared the consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS).

We oversaw the design of internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with PSAS. We also directed the evaluation of the effectiveness of these internal controls and we are not aware of any material weakness in these controls.

We believe that the consolidated financial statements and other financial information in this annual service plan report fairly present in all material respects the financial condition, results of operations and cash flows of the British Columbia Securities Commission (BCSC) as of the dates and for the periods presented. The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. It is possible that circumstances will cause actual results to differ. We do not believe it is likely that any differences will be material.

The Board is responsible for ensuring that management fulfills its financial reporting and control responsibilities, and has appointed an independent Audit Committee to oversee the financial reporting process. The Audit Committee meets regularly throughout the year with management, the internal auditors and the external auditors to review the consolidated financial statements, adequacy of internal controls relating to financial reporting, and internal and external audit functions. The external auditor has full and open access to the Audit Committee, with and without the presence of management.

BDO Canada LLP (BDO), the BCSC's independent auditor, has examined the consolidated financial statements and its report follows.



Brenda M. Leong
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Executive Director



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Independent Auditor's Report

To the Commissioners of the British Columbia Securities Commission

And to the Minister of Finance, British Columbia

Opinion

We have audited the consolidated financial statements of the British Columbia Securities Commission (the "Entity"), which comprise the Consolidated Statement of Financial Position as at March 31, 2020, and the Consolidated Statements of Operations and Change in Accumulated Surplus, Remeasurement Gains and Losses, Change in Net Financial Assets and Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2020, and its consolidated results of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 7, 2020

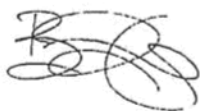
Consolidated Statement of Financial Position

As at March 31, 2020

(audited)

	Notes	March 31, 2020	March 31, 2019
Financial assets			
Cash	4	\$ 26,867,787	\$ 23,582,821
Restricted cash - 161(1)(g) payments	5	121,819	238,951
Investments	6	57,200,052	55,473,526
Amounts receivable	7	1,603,689	1,396,406
		\$ 85,793,347	\$ 80,691,704
Liabilities			
Accounts payable and accrued liabilities	8	\$ 3,207,171	\$ 4,787,685
Accrued salaries and benefits		1,201,419	1,020,377
Deferred registration fee revenue		11,610,895	11,656,197
Employee leave liability	9	1,086,489	985,668
161(1)(g) liabilities	5	121,819	238,951
		\$ 17,227,793	\$ 18,688,878
Net financial assets		\$ 68,565,554	\$ 62,002,826
Tangible capital assets			
	10	\$ 14,903,464	\$ 12,787,201
Prepaid expenses			
	11	1,275,115	1,137,981
		\$ 16,178,579	\$ 13,925,182
Accumulated Surplus		\$ 84,744,133	\$ 75,928,008
Accumulated Surplus is comprised of:			
Unrestricted operating surplus	12	\$ 38,705,772	\$ 32,982,457
Restricted operating surplus	12	45,858,925	43,206,486
		\$ 84,564,697	\$ 76,188,943
Accumulated remeasurement gains (losses)		179,436	(260,935)
		\$ 84,744,133	\$ 75,928,008

Commitments and contingencies (Note 19)

The accompanying notes are an integral part of these financial statements.


Brenda M. Leong
Chair and Chief Executive Officer



George C. Glover
Chair, Audit Committee

Consolidated Statement of Operations and Change in Accumulated Surplus

For the Year Ended March 31, 2020

(audited)

	Notes	March 31, 2020 Budget (Note 20)	March 31, 2020 Actual	March 31, 2019 Actual
Revenues				
Regulatory and other fees				
Prospectus and other distributions		\$ 28,600,000	\$ 30,162,691	\$ 27,107,545
Registration		16,600,000	18,264,870	13,513,120
Financial filings		5,200,000	5,115,937	4,755,996
Exemptive orders and other		700,000	494,060	362,528
National systems access and usage fees	13	6,500,000	6,453,152	6,523,022
Enforcement sanctions	14	450,000	1,028,500	5,206,676
Investment income	15	900,000	1,767,665	1,421,222
Realized loss on investments	15	—	—	(67,159)
		\$ 58,950,000	\$ 63,286,875	\$ 58,822,950
Expenses				
Local operations	16	\$ 50,360,000	\$ 50,273,099	\$ 44,728,192
Partnership operations	16	5,500,000	4,638,022	4,790,463
		\$ 55,860,000	\$ 54,911,121	\$ 49,518,655
Annual surplus		\$ 3,090,000	\$ 8,375,754	\$ 9,304,295
Accumulated operating surplus, beginning of year			\$ 76,188,943	\$ 66,884,648
Accumulated operating surplus, end of year			\$ 84,564,697	\$ 76,188,943

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Remeasurement Gains and Losses

For the Year Ended March 31, 2020

(audited)

	Notes	March 31, 2020	March 31, 2019
Accumulated remeasurement losses, beginning of year		\$ (260,935)	\$ (703,001)
Unrealized gains on investments	15	440,371	374,907
Realized losses on investments, reclassified to operations	15	–	67,159
Accumulated remeasurement gains (losses), end of year		\$ 179,436	\$ (260,935)

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Change in Net Financial Assets

For the Year Ended March 31, 2020

(audited)

	March 31, 2020 Budget (Note 20)	March 31, 2020 Actual	March 31, 2019 Actual
Surplus, for the year	\$ 3,090,000	\$ 8,375,754	\$ 9,304,295
Acquisition of tangible capital assets	\$ (7,915,000)	\$ (4,323,083)	\$ (4,522,469)
Depreciation of tangible capital assets	2,348,000	2,206,820	2,519,526
	\$ (5,567,000)	\$ (2,116,263)	\$ (2,002,943)
Acquisition of prepaid expenses		\$ (1,871,712)	\$ (1,061,576)
Use of prepaid expenses		1,734,578	1,579,110
		\$ (137,134)	\$ 517,534
Effect of net remeasurement gains and losses for the year		\$ 440,371	\$ 442,066
Increase in net financial assets, for the year		\$ 6,562,728	\$ 8,260,952
Net financial assets, beginning of year		\$ 62,002,826	\$ 53,741,874
Net financial assets, end of year		\$ 68,565,554	\$ 62,002,826

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended March 31, 2020

(audited)

	March 31, 2020	March 31, 2019
Operating transactions		
Cash received from:		
Fees	\$ 60,518,518	\$ 55,682,972
Enforcement sanctions	700,175	5,151,876
Interest	1,210,779	867,406
	\$ 62,429,472	\$ 61,702,254
Cash paid to and on behalf of employees	\$ (34,983,243)	\$ (31,420,297)
Cash paid to suppliers and others	(19,108,912)	(13,113,996)
	\$ (54,092,155)	\$ (44,534,293)
Cash provided by operating transactions	\$ 8,337,317	\$ 17,167,961
Capital transactions		
Cash used to acquire tangible capital assets	\$ (4,323,083)	\$ (4,522,469)
Investing transactions		
Proceeds from disposals of investments	\$ 18,937,562	\$ 20,500,781
Purchase of investments	(19,666,830)	(19,385,544)
	\$ (729,268)	\$ 1,115,237
Increase in cash	\$ 3,284,966	\$ 13,760,729
Cash, beginning of year	\$ 23,582,821	\$ 9,822,092
Cash, end of year	\$ 26,867,787	\$ 23,582,821

The accompanying notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

1. Nature of operations

The British Columbia Securities Commission (BCSC) is a Crown corporation created by the Province of British Columbia on April 1, 1995. We are responsible for the administration of the *Securities Act*. As a Crown corporation, the BCSC is exempt from income taxes. We pay PST (7%) and GST (5%) on taxable purchases but recover the GST.

2. Significant accounting policies

Management has prepared these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards (PSAS). Significant accounting policies followed in the preparation of these financial statements are:

a) Interest in national systems partnership (Partnership)

The CSA is an umbrella organization of Canada's ten provincial and three territorial securities regulators, whose objective is to improve, coordinate and harmonize regulation of the Canadian capital markets. BCSC, Alberta Securities Commission, Ontario Securities Commission, and Autorité des marchés financiers (collectively, the Principal Administrators or PAs) have agreed to oversee CSA's shared information systems, on behalf of the CSA. Each of the PAs has one vote on shared system matters.

We collect approximately 79 percent of our local fee revenue through the national systems. The Partnership contracted CGI Information Systems and Management Consultants Inc. (CGI) to provide IT services to January 12, 2022. CGI maintains a comprehensive business continuity plan for the national systems.

The Partnership charges user fees to recover systems development and operating costs. The Partnership has agreed to use its accumulated surpluses only for the benefit of systems users.

The national systems arrangement is a government partnership under PSAS. Accordingly, these financial statements include 25 percent of the assets, liabilities, net assets, revenues and expenses of the Partnership.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

b) Financial instruments

Our financial instruments include cash, restricted cash, investments, amounts receivable, accounts payable, accrued liabilities, accrued salaries and benefits, and 161(1)(g) liabilities.

We account for all of our financial instruments on a fair value basis, as follows:

- We record cash, restricted cash, and investments at fair value (fair value measurement hierarchy level one – quoted market prices). We consider the fair value of our investments to be market value because they are highly liquid.
- We record other financial instruments at cost, which approximates fair value, due to their short-term nature.

We recognize realized gains and losses in annual operating surplus/deficit. We record unrealized gains and losses separately in the statement of remeasurement gains and losses. We reinvest any investment earnings in the portfolio and adjust the carrying value of the units we own accordingly.

c) 161(1)(g) payments

The BCSC can order respondents to pay it money obtained as a result of contravening the *Securities Act*. If the BCSC receives money under such an order, we receive and consider applications for payment to eligible claimants from the money collected. We disburse funds to eligible claimants after adjudicating all claims, and retain any funds not disbursed after adjudicating all claims.

d) Tangible capital assets

We record tangible capital assets at cost. We depreciate them using the straight-line method over their useful lives.

We estimate the useful lives of our tangible capital assets to be as follows:

- Local information technology – three to five years
- Local leasehold improvements – the remaining lease term to November 30, 2031
- Local office furniture and equipment – ten years
- Partnership information technology – three to seven years

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

e) Revenue recognition

We recognize revenue for prospectus and other statutory filing fees when filings are made and collectability is assured. The amounts due and their collectability are normally determined simultaneously, as almost all filings are paid for immediately.

We recognize annual registration fees in revenue in the calendar year to which the fees relate.

We recognize enforcement sanctions revenue when we determine sanctions are collectible.

f) Expenses

We recognize expenses on an accrual basis. We expense the cost of goods consumed and services received during the year.

The BCSC provides information technology, payroll, and financial accounting support, on a cost recovery basis, to the Canadian Securities Regulation Regime Transition Office (CSTO) and Capital Markets Authority Implementation Organization (CMAIO) and second certain employees to CMAIO. These arrangements support the BC government's work to build the Capital Markets Regulatory Authority (CMRA). We net reimbursements against corresponding salaries and benefits costs.

g) Employee future benefits

We participate in the Public Service Pension Plan, a multi-employer defined benefit pension plan. We account for the plan as a defined contribution plan as we have insufficient information to apply defined benefit plan accounting. Pension costs included in our financial statements are comprised of the cost of employer contributions related to the current service of employees during the year.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

h) Measurement uncertainty

PSAS require management to make estimates and assumptions for certain amounts disclosed in the financial statements.

In our financial statements, management has estimated the:

- portion of amounts receivable that we will collect
- useful lives of tangible capital assets
- value of the employee leave liability

Estimates reflect the best information available when we prepare the financial statements. Actual results may differ from these estimates. We will record any adjustments to these estimates in the period that additional information becomes available.

3. Financial instruments

Cash and restricted cash are demand deposits held at federally regulated financial institutions.

We invest local funds that we expect to use in the short-term (up to 1 year) or medium-term (1 to 2 years) in bank deposits or in investment pools that the British Columbia Investment Management Corporation (BCI), a BC government organization, administers.

We buy units of the following BCI pooled funds:

- Canadian Money Market Fund – Canadian government and corporate money market investments with original maturities of up to 15 months
- Short Term Bond Fund – Canadian federal, provincial and municipal government bonds and Canadian dollar fixed income securities that are insured or guaranteed by sovereign governments, and supranational debt securities, with a typical term to maturity of up to 5 years
- Canadian Universe Bond Fund – Government and investment-grade corporate debt securities, denominated in Canadian dollars with a term to maturity of up to 30 years

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

Our investments in financial instruments expose us to financial risks associated with the funds and the underlying securities held in the investment funds, including credit risk, market risk, and liquidity risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the risk of loss from unfavorable changes in fair value or future cash flows of a financial instrument. Market risk is comprised of currency risk, interest rate risk, and price risk. Liquidity risk is the risk that the BCSC will encounter difficulty in meeting obligations associated with its financial liabilities.

In management's opinion, our investments do not expose the BCSC to significant credit risk because we invest in liquid, high quality money market instruments, government securities, and investment-grade corporate debt securities. Liquidity risk is low because our investments are in pooled fund units redeemable within two weeks, without penalty. The underlying assets in the pools are also highly liquid. We have low exposure to currency risk.

Our investments expose us to interest rate risk associated with the underlying interest-bearing securities held in the investment funds. Interest rate risk relates to the possibility that the fair value of fixed rate investments will change due to future fluctuations in market interest rates. In general, bond values are sensitive to changes in the level of interest rates, with longer-term interest-bearing securities being more sensitive to interest rate changes than shorter-term interest-bearing securities. Based on the March 31, 2020 composition of our investment portfolio, an immediate 1 percent increase in interest rates across the entire yield curve, with all other variables held constant, would result in a decrease in market value of approximately \$1.1 million. In addition, future investment income earned on variable rate cash deposits and new investments would increase after an interest rate increase. We manage interest rate risk by monitoring portfolio duration and yields with the fund administrator, BCI. The current investment duration of the Short Term Bond Fund is 2.6 years and of the Canadian Universe Bond Fund is 8.0 years.

In management's opinion, amounts receivable, accounts payable, and accrued liabilities and accrued salaries do not expose us to significant financial risk because of their short-term nature.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

4. Cash

	March 31, 2020	March 31, 2019
Local demand deposits	\$ 21,103,109	\$ 18,520,253
Partnership demand deposits	5,764,678	5,062,568
	\$ 26,867,787	\$ 23,582,821

Local working capital cash and the Partnership's working capital cash are on deposit with federally regulated financial institutions and earn interest ranging from prime minus 1.85% to prime minus 1.70%.

5. Restricted cash – 161(1)(g) payments and 161(1)(g) liabilities

Case	March 31, 2020	March 31, 2019
Winston King-Loong Kuit	\$ 93,484	\$ 86,985
Jefferson Franklin Mesidor	6,030	6,030
Darren Scott Davidson	5,500	4,500
Paul Webster	5,200	4,000
Weiqing Jane Jin	4,280	4,280
Brendan James Schouw	3,500	–
Donald Weiss	1,250	700
Dennis Carl Weigel	1,250	600
Daniel Eric Byer	1,250	–
Renee Michelle Penko	75	75
Canada Pacific Consulting Inc. and Michael Robert Shantz	–	131,781
	\$ 121,819	\$ 238,951

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

6. Investments

	March 31, 2020		March 31, 2019	
	Market Value	Cost	Market Value	Cost
BCI pooled funds				
Short Term Bond Fund	\$ 17,645,847	\$ 17,345,461	\$ 17,008,282	\$ 17,033,149
Canadian Universe Bond Fund	8,124,217	8,245,167	7,764,318	8,000,386
	\$ 25,770,064	\$ 25,590,628	\$ 24,772,600	\$ 25,033,535
Partnership investments				
Notice account	\$ 7,076,738	\$ 7,076,738	\$ 16,781,776	\$ 16,781,776
Term deposit	9,186,750	9,186,750	8,919,150	8,919,150
Guaranteed Investment Certificate	15,166,500	15,166,500	5,000,000	5,000,000
	\$ 31,429,988	\$ 31,429,988	\$ 30,700,926	\$ 30,700,926
	\$ 57,200,052	\$ 57,020,616	\$ 55,473,526	\$ 55,734,461

Refer to note 15 for information about investment income earned on the investments. The Partnership's investments are held in redeemable term deposits and guaranteed investment certificates at fixed interest rates of 2.25% to 3.00%.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

7. Amounts receivable

	March 31, 2020	March 31, 2019
National systems user fees	\$ 514,533	\$ 747,688
Enforcement sanctions	410,625	82,300
National project recoveries	189,335	145,938
SEDAR and other filings	183,400	60,200
GST refunds	173,123	198,876
Due from CMAIO	44,738	44,407
Employee advances and other	31,011	39,740
Late insider report filing fees	28,700	20,800
Due from CSTO	28,224	56,457
	\$ 1,603,689	\$ 1,396,406

8. Accounts payable and accrued liabilities

	March 31, 2020	March 31, 2019
Local trade accounts payable	\$ 2,331,161	\$ 4,041,131
Partnership trade accounts payable	874,918	549,147
Other	1,092	197,408
	\$ 3,207,171	\$ 4,787,685

9. Employee leave liability

Employee leave liability is what we owe to our employees for their earned but unused vacation time.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

10. Tangible capital assets

	March 31, 2020					Total
	Local Information Technology	Local Leasehold Improvements	Local Furniture & Equipment	Partnership Information Technology		
Cost						
Opening balance	\$ 12,291,658	\$ 5,911,949	\$ 2,685,941	\$ 7,212,047	\$ 28,101,595	
Additions	2,617,856	–	–	1,705,227	4,323,083	
Disposals	(740,203)	–	–	–	(740,203)	
Closing balance	\$ 14,169,311	\$ 5,911,949	\$ 2,685,941	\$ 8,917,274	\$ 31,684,475	
Accumulated depreciation						
Opening balance	\$ 7,403,807	\$ 5,121,417	\$ 2,336,228	\$ 452,942	\$ 15,314,394	
Depreciation	1,734,699	297,917	69,745	104,459	2,206,820	
Disposals	(740,203)	–	–	–	(740,203)	
Closing balance	\$ 8,398,303	\$ 5,419,334	\$ 2,405,973	\$ 557,401	\$ 16,781,011	
Net book value	\$ 5,771,008	\$ 492,615	\$ 279,968	\$ 8,359,873	\$ 14,903,464	

	March 31, 2019					Total
	Local Information Technology	Local Leasehold Improvements	Local Furniture & Equipment	Partnership Information Technology		
Cost						
Opening balance	\$ 12,187,007	\$ 5,911,949	\$ 2,686,506	\$ 4,978,267	\$ 25,763,729	
Additions	2,289,254	–	(565)	2,233,780	4,522,469	
Disposals	(2,184,603)	–	–	–	(2,184,603)	
Closing balance	\$ 12,291,658	\$ 5,911,949	\$ 2,685,941	\$ 7,212,047	\$ 28,101,595	
Accumulated depreciation						
Opening balance	\$ 7,518,162	\$ 4,824,204	\$ 2,262,142	\$ 374,963	\$ 14,979,471	
Depreciation	2,070,248	297,213	74,086	77,979	2,519,526	
Disposals	(2,184,603)	–	–	–	(2,184,603)	
Closing balance	\$ 7,403,807	\$ 5,121,417	\$ 2,336,228	\$ 452,942	\$ 15,314,394	
Net book value	\$ 4,887,851	\$ 790,532	\$ 349,713	\$ 6,759,105	\$ 12,787,201	

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

11. Prepaid expenses

	March 31, 2020	March 31, 2019
Local IT and information service contracts	\$ 610,344	\$ 455,656
Partnership IT and information service contracts	664,771	682,325
	\$ 1,275,115	\$ 1,137,981

12. Accumulated operating surplus

	March 31, 2020			
	General	Education (a)	Partnership (b)	Total
Opening balance	\$ 29,511,967	\$ 3,470,490	\$ 43,206,486	\$ 76,188,943
Additions and appropriations	4,694,815	1,028,500	2,652,439	8,375,754
Investment income allocation	(91,798)	91,798	-	-
Education expenses paid from reserve	1,422,453	(1,422,453)	-	-
Closing balance	\$ 35,537,437	\$ 3,168,335	\$ 45,858,925	\$ 84,564,697

	March 31, 2019			
	General	Education (a)	Partnership (b)	Total
Opening balance	\$ 26,167,401	\$ -	\$ 40,717,247	\$ 66,884,648
Additions and appropriations	1,608,380	5,206,676	2,489,239	9,304,295
Investment income allocation	(31,641)	31,641	-	-
Education expenses paid from reserve	1,767,827	(1,767,827)	-	-
Closing balance	\$ 29,511,967	\$ 3,470,490	\$ 43,206,486	\$ 76,188,943

a) Education reserve (internally-restricted)

We order administrative penalties and 161(1)(g) payments under the *Securities Act*. We also negotiate settlement amounts. We designate revenue from penalties, settlements, and unclaimed 161(1)(g) payments to our Education reserve, which we spend only to educate securities market participants and the public about investing, financial matters, and the operation or regulation of securities markets.

b) Partnership (restricted)

The partners have agreed to use Partnership surplus only for the benefit of systems users.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

13. Partnership – summarized annual financial information

	March 31, 2020		March 31, 2019	
	Partnership	25% share	Partnership	25% share
Financial Position				
Financial assets	\$ 150,836,796	\$ 37,709,199	\$ 146,044,729	\$ 36,511,182
Liabilities	3,499,671	874,918	2,984,505	746,126
Net Financial assets	\$ 147,337,125	\$ 36,834,281	\$ 143,060,224	\$ 35,765,056
Non-financial assets	36,098,575	9,024,644	29,765,720	7,441,430
Accumulated surplus	\$ 183,435,700	\$ 45,858,925	\$ 172,825,944	\$ 43,206,486
Operations				
Revenues:				
National systems access and usage fee	\$ 25,812,607	\$ 6,453,152	\$ 26,092,086	\$ 6,523,022
Investment income and other	3,349,237	837,309	3,026,718	756,680
Expenses	18,552,088	4,638,022	19,161,846	4,790,462
Surplus	\$ 10,609,756	\$ 2,652,439	\$ 9,956,958	\$ 2,489,240

14. Enforcement sanctions

Enforcement sanctions revenue includes administrative penalties, settlements, and unclaimed 161(1)(g) payments, if any. Revenues depend on the timing of enforcement actions completed during the year and on our ability to collect assessed amounts.

We assessed enforcement sanctions of \$4.1 million (fiscal 2019 – \$35.4 million) during the year, of which we did not recognize \$3.1 million (fiscal 2019 – \$34.8 million) as revenue because we have not determined that the sanctions are collectible.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

15. Investment income, realized losses on investments, and unrealized gains (losses) on investments

	For the Year Ended March 31, 2020					
	Average Balance	Investment Income	Realized Gains (Losses)	Total Income	Unrealized Gains (Losses)	Annualized Return
Cash, term deposits and GIC	\$ 52,031,661	\$ 1,205,575	\$ -	\$ 1,205,575	\$ -	2.3%
Restricted cash - 161(1)(g) payments	226,584	5,204	-	5,204	-	2.3%
Short Term Bond Fund	17,212,993	312,105	-	312,105	325,253	3.7%
Canadian Universe Bond Fund	8,023,138	244,781	-	244,781	115,118	4.5%
	\$ 77,494,376	\$ 1,767,665	\$ -	\$ 1,767,665	\$ 440,371	2.8%

	For the Year Ended March 31, 2019					
	Average Balance	Investment Income	Realized Gains (Losses)	Total Income	Unrealized Gains (Losses)	Annualized Return
Cash, term deposits and GIC	\$ 41,182,536	\$ 862,694	\$ -	\$ 862,694	\$ -	2.1%
Restricted cash - 161(1)(g) payments	230,705	4,712	-	4,712	-	2.0%
Short Term Bond Fund	18,399,536	351,993	(67,159)	284,834	170,818	2.5%
Canadian Universe Bond Fund	7,419,771	201,823	-	201,823	204,089	5.5%
	\$ 67,232,548	\$ 1,421,222	\$ (67,159)	\$ 1,354,063	\$ 374,907	2.6%

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

16. Expenses

	Year ended March 31		
	Budget 2020	2020	2019
Local operations			
Salaries and benefits	\$ 35,900,000	\$ 35,287,285	\$ 31,048,503
Occupancy	3,800,000	3,808,015	3,462,981
Professional services	2,300,000	3,625,626	2,460,717
Information management	2,650,000	2,188,501	1,954,776
Depreciation	2,220,000	2,102,361	2,441,547
Education	1,500,000	1,422,453	1,767,827
Administration	630,000	640,078	550,597
Staff training	500,000	495,028	463,423
Telecommunications	180,000	274,603	215,757
Travel	500,000	268,294	273,999
External communication	180,000	160,855	88,065
Total local operations	\$ 50,360,000	\$ 50,273,099	\$ 44,728,192
Partnership operations			
Professional services	\$ 4,133,000	\$ 3,210,583	\$ 3,730,603
Salaries and benefits	1,016,000	1,129,875	779,724
Information management and administration	223,000	193,105	202,158
Depreciation	128,000	104,459	77,979
Total Partnership operations	\$ 5,500,000	\$ 4,638,022	\$ 4,790,463
	\$ 55,860,000	\$ 54,911,121	\$ 49,518,655

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

17. Related party transactions

We are related through common control to all BC provincial government ministries, agencies, and Crown corporations. We conducted all transactions with these entities as though we were unrelated parties.

18. Post-retirement employee benefits

We, and our employees, contribute to the Public Service Pension Plan, a multi-employer plan. The plan is contributory, and its basic benefits are defined. The plan has approximately 50,000 active members, 64,000 retired members, and 19,000 inactive members. A board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of assets and administration of benefits.

An actuarial valuation of the plan performed every three years assesses the plan's financial position. The latest valuation, as at March 31, 2017, indicated a \$1,895 million (March 31, 2014 – \$194 million) surplus for basic pension benefits. In addition to basic benefits, the plan also provides supplementary benefits, including inflation indexing. These supplementary benefits are paid only to the extent that they have been funded, which is currently done on a "pay-as-you-go" basis.

The plan trustees monitor the impact of the financial environment on plan health. Plan surpluses and deficits are not attributable to individual employers, but affect future contribution levels. We charged \$2.7 million (fiscal 2019 – \$2.4 million) to expense for employer contributions during the period.

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2020

(audited)

19. Commitments and contingencies

Our contractual obligations relating to lease agreements for local office space are as follows:

Fiscal year	2021 - 2022	2023 - 2025	2026 - 2028	2029 - 2032	Total
	\$ 7,798,979	\$ 12,019,600	\$ 12,812,223	\$ 16,754,857	\$ 49,385,659

The Partnership has contracted with CGI to host and operate the national systems until January 12, 2022. The Partnership has certain rights to terminate the agreement, with and without cause, as set out in the agreement.

The Partnership has also contracted with CGI to redevelop several shared filing systems over the next several years. The Partnership has also contracted with First Derivatives Canada Inc. to design and operate a shared investment market analysis system over the next several years. The Partnership has certain rights to terminate the agreements, with and without cause, as set out in the agreements.

The BCSC has committed to pay 25 percent of any claim or expenses related to operation and redevelopment of the shared filing systems that exceed the Partnership's surplus funds.

20. Budgeted figures

Budgeted figures are for comparison purposes.

21. Subsequent event

The COVID-19 pandemic has shocked the Canadian and global economies. BCSC has not, to date, experienced significant financial impacts as a result of the pandemic. However, the pandemic's continuing effects on investment markets could impact the BCSC's operations and financial results. We cannot reasonably estimate such impacts at this time given the unprecedented and dynamic nature of the pandemic. Potential impacts include reduced revenue. We hold accumulated reserves to fund local operations through market downturns.

Appendix A: Additional Information

Organizational Overview

- [Enabling Statute](#)
- [Mission, Values, and Overall Benefit](#)
- [Organizational Chart](#)
- [Stakeholders and Partners](#)
- [Location of BCSC Operations](#)

Corporate Governance

- [Governance](#)
- [Commissioners](#)
- [Board Committees](#)
- [Senior Management](#)
- [Funding and Accountability](#)

Contact Information

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
12th Floor, 701 W. Georgia Street
Vancouver BC V7Y 1L2
604-899-6500
inquiries@bcsc.bc.ca
www.bcsc.bc.ca



387578

January 14, 2020

Brenda M. Leong
Chair and Chief Executive Officer
British Columbia Securities Commission
701 West Georgia Street
Vancouver, B.C. V7Y 1 L2

Dear Ms. Leong:

I would like to extend appreciation on behalf of Premier Horgan and the Executive Council for your dedication, and that of your board members, in leading your organization and helping government deliver on our priorities to British Columbians.

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

Every public sector organization is accountable to the citizens of British Columbia. The expectations of B.C. citizens are identified through their elected representatives, the members of the Legislative Assembly.

This mandate letter, which I am sending in my capacity as Minister responsible for the BC Securities Commission, on behalf of the Executive Council, communicates those expectations for your agency. It sets out overarching government priorities that will inform your agency's policies and programs, as well as specific direction on priorities and expectations for the coming fiscal year.

Our goal is to build a strong, sustainable economy that works for everyone. We are committed to working with you and other Crown Agencies to provide quality, cost-effective services to British

.../2

Ministry of Finance

Office of the Minister
and Deputy Premier

Mailing Address:
PO Box 9048 Str Prov Govt
Victoria BC V8W 9H2
Telephone: 250 387-3751
Facsimile: 250 387-5594

Location:
501 Belleville Street
Parliament Buildings, Victoria
website:
www.gov.bc.ca/fin

Columbia families and businesses. By adopting the Gender-Based Analysis Plus (GBA+) lens and Framework for Improving British Columbians' Standard of Living to policy development, we will ensure that equity is reflected in government budgets, policies and programs. You are encouraged to apply the GBA+ lens in your Crown Agency operations and programs. In the same vein, appointments to agencies, boards and commissions reflect government's direction to promote equity and leadership at senior levels in the public and private sectors, with a view to building strong public sector boards that reflect the diversity of British Columbia.

Two key priorities that will underpin lasting prosperity are advancing reconciliation with Indigenous Peoples and moving towards a low-carbon economy.

In November 2019, government passed the *Declaration on the Rights of Indigenous Peoples Act* which represents a crucial step towards true and lasting reconciliation. In keeping with the Calls to Action of the Truth and Reconciliation Commission, the Act was developed in collaboration with the First Nations Leadership Council to create a framework for reconciliation in B.C. All Crown Agencies are expected to incorporate the *Declaration on the Rights of Indigenous Peoples Act* and Calls to Action of the Truth and Reconciliation Commission within their specific mandate and context.

Announced in December 2018, the CleanBC plan puts our province on the path to a cleaner, better future – with a low-carbon economy that creates opportunities while protecting our clean air, land and water. As part of the new accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization plans to align operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk. Please be prepared to work with government to report out on these plans and activities.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2020/21. This will include online training modules and in-person conferences, as government works to support strong public sector boards that reflect the diversity of British Columbia.

As the Minister responsible for the BC Securities Commission, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2020/21 Service Plan:

- Protect B.C. investors through decisive enforcement and fine collection, delivering targeted education programs, and developing and using new regulatory tools.

.../3

- Support strong public venture markets by streamlining and modernizing regulations.
- Maintain a modern regulatory framework and make best efforts to streamline and harmonize securities rules with other provinces and territories.
- Leverage expertise with other regulatory authorities to ensure our regulatory actions are coordinated, targeted and effective.
- Foster financial and other technology innovations in B.C. by adopting flexible regulatory strategies.
- Support government in developing the Cooperative Capital Markets Regulatory System.
- Work collaboratively with government as it improves the effectiveness of B.C.'s Anti-Money Laundering Regime.

Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2020.

I look forward to continuing to work with you and your Board colleagues to build a better B.C.

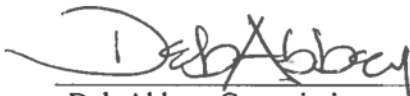
Sincerely,



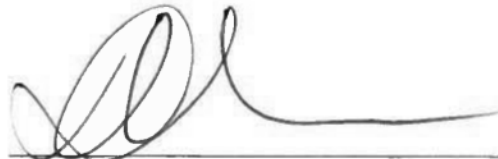
Carole James
Minister and Deputy Premier



Brenda Leong, Chair and CEO
British Columbia Securities Commission



Deb Abbey, Commissioner
British Columbia Securities Commission

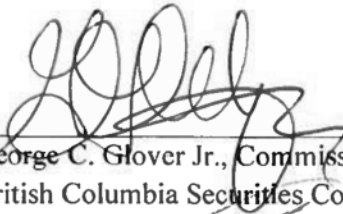


Deborah Armour, QC, Commissioner
British Columbia Securities Commission

.../4



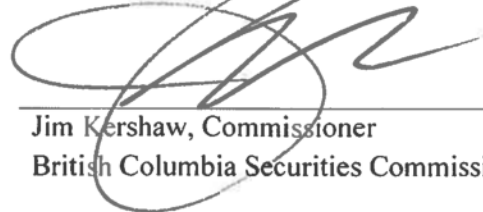
Judith Downes, Commissioner
British Columbia Securities Commission



George C. Glover Jr., Commissioner
British Columbia Securities Commission



Audrey T. Ho, Commissioner
British Columbia Securities Commission



Jim Kershaw, Commissioner
British Columbia Securities Commission



Marion Shaw, Commissioner
British Columbia Securities Commission

cc: Honourable John Horgan
Premier

Don Wright
Deputy Minister to the Premier and Cabinet Secretary

Lori Wanamaker
Deputy Minister
Ministry of Finance

Heather Wood
Associate Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Peter Brady
Executive Director
British Columbia Securities Commission

BRIEFING NOTE
CROWN AGENCIES

Name: Infrastructure BC (formally Partnerships BC)

Legislative Authority:

Infrastructure BC (IBC) is incorporated under the *Business Corporations Act (BCA)*. IBC is owned by the Province of British Columbia and governed by a Board of Directors reporting to its sole shareholder, the Minister of Finance.

Mandate:

To support the public sector in meeting its infrastructure needs by providing leadership, expertise and consistency in the planning, procurement and contract administration of complex capital projects that deliver benefits for taxpayers.

Current Appointees:

Chair: Dana Hayden, appointed until September 30, 2022

Directors:

Julian Paine, appointed until September 30, 2021

Suzana Dujmovic, appointed until September 30, 2021

Roberta Stewart, appointed until September 30, 2021

Mary Austin, appointed until September 30, 2022

Stephen Lornie, appointed until September 30, 2022

Eric Denhoff, appointed until September 30, 2023

Kristine Simpson, appointed until September 30, 2023

Appointments Required:

- There are no appointments required within the next 90 days.

Issue(s):

- Partnerships BC began legally operating as IBC on August 27, 2020 with plans to publicly announce the name change on September 30, 2020. The Ministry of Finance suspended the announcement due to the interregnum period.
- IBC has notified impacted stakeholders of the name change as the Crown cannot legally operate under its original name however a news release is required to publicly communicate the change.

Key Contact:

- Mark Liedemann
- President & Chief Executive Officer
- Personal Information

Infrastructure BC (formerly Partnerships BC)

Ministry of Finance

Governing Legislation

Specific governing legislation:

- Infrastructure BC (IBC) is not a regulatory crown and does not have specific governing legislation.
- IBC is incorporated under the *Business Corporations Act*. IBC is owned by the Province of British Columbia and governed by a Board of Directors reporting to its sole shareholder, the Minister of Finance.

General governing legislation for all crown corporations:

- *Budget Transparency and Accountability Act*
- *Financial Administration Act*
- *Financial Information Act*
- *Freedom of Information and Protection of Privacy Act*
- *Information Management Act*
- *Public Sector Employers Act*

Mandate

To support the public sector in meeting its infrastructure needs by providing leadership, expertise and consistency in the planning, procurement and contract administration of complex capital projects that deliver benefits for taxpayers.

Legislative Priorities

- IBC does not have specific governing legislation and, as such, has not made requests related to legislation.

Board of Directors

- Dana Hayden (Chair),
- Julian Paine,
- Suzana Dujmovic,
- Roberta Stewart,
- Mary Austin,
- Stephen Lornie,
- Eric Denhoff, and
- Kristine Simpson.

The next expected board (re)appointment is September 30, 2021.

Biographies

Dana Hayden is an accomplished and experienced C-suite executive who provides expertise for private and public organizations through Hayden Consulting Services. Her areas of focus are natural resource development, international trade, property development and governance. Dana is

Infrastructure BC

currently Chair of the Board of Infrastructure BC and a Director on the boards of TimberWest and the BC Parks Foundation. Prior to establishing Hayden Consulting Services, Dana spent 30 years in British Columbia's public sector where she held six Deputy Minister positions in natural resource and economic portfolios and served as President and CEO of the BC Pavilion Corporation, Destination BC and the BC Lottery Corporation.

Julian Paine is a dedicated public servant and was most recently the Assistant Deputy Minister (ADM) in the Ministry of Natural Gas Development. Prior to this role, he held ADM posts in the Ministry of Community, Sport, and Cultural Development and the Ministry of Aboriginal Relations. He also held Executive Director roles in the Ministry of Forests and Forests Renewal BC. Julian began his career in the BC Public Service as a Treasury Board analyst. Active in his community, Mr. Paine is on the crew of the RCM Search and Rescue. Julian completed a Bachelor of Science and a Master's in Public Administration from the University of Victoria

Suzana Dujmovic held a variety of executive management positions working with the banks domestic and international sectors in the areas of Risk Management and Governance, Compliance, and Corporate Sustainability during her more than 30 years with HSBC Bank. Her successes include establishing HSBC's initial Enterprise Risk Management framework, transforming the Retail Banking and Wealth Management business in her role as Chief Risk Officer, and developing initiatives to deliver on HSBC's 100% renewable energy objectives for Canada. Susan is an experienced director with extensive audit, risk, and governance expertise. For twelve years, she Chaired the Audit Committee of the Royal Canadian Mint, a multi-billion-dollar Crown Corporation, before being appointed the Chair of the Board. The Mint has international dealings with four business lines: Canadian coin circulation; Foreign Circulation; Bullion Products and Refinery Services; and Numismatics. During her term she stewarded the organization's strategic plan to deliver record revenues while ensuring an effective risk management culture. She also served as a Board Director of the Mutual Fund Dealer's Association, an SRO regulating over 100 mutual fund dealers and 82,000 advisors and served on the Audit Committee and Regulatory Issues Committees. Susan holds a BA from the University of British Columbia, is a Fellow of the Institute of Canadian Bankers, and has her Canadian Securities and Institute of Corporate Directors certification.

Roberta Stewart is a Partner with Heather Sadler Jenkins LLP practicing in the areas of real property, wills and estate planning, estate administration, commercial loans, incorporations and corporate transactions and buying and selling businesses. She is an active member of the Prince George community, serving as Director of the MS Society (British Columbia and Yukon Division). Roberta has served as President and Director of the Prince George Crime Stoppers Association and as Member of the Prince George Estate Planning Council. She holds her Bachelor of Laws and Commerce in Finance and Economics from the University of Saskatchewan.

Mary Austin was fortunate to spend nearly all her childhood growing up in the West Kootenays and is grateful for experiences at university, travel and work experience in Canada, France and China, to learn from different cultures and pick up language skills. Mary's family was able to return to the West Kootenays in 2009, and at that time started two businesses. These businesses gave Mary excellent experience in start-up and operations as well as skills in property management, financial services, customer relations, business accounting, and much more. In 2014, with the strength of her well-run property business to carry us through start-up, her husband Roger and Mary started Austin

Infrastructure BC

Engineering Ltd. Mary is proud of the growth of our company and the excellence of our team here in Trail, as well as grateful for our reputation with our clients. She is passionate about the promotion and continued economic growth of our Lower Columbia Community, as well as the volunteering roles she plays within the greater Columbia Basin. In her downtime Mary enjoys trail running, learning the guitar, hiking local mountains and coaching kids in soccer and skiing.

Stephen Lornie has enjoyed a 40-year career in BC's construction industry as a company owner and manager. His two general contracting companies, Fairmile and Stonecroft, built many industrial and commercial buildings around the province. Steve was active in the Independent Contractors and Businesses Association for a number of years, as a Director, Treasurer, and Chair. Now retired from the industry, he and his wife Christine own and operate Okanagan Crush Pad Winery in Summerland.

Eric Denhoff is a Consultant for E.A. Denhoff and Associates Ltd. Previously Mr. Denhoff was a Special Advisor, Market Access for the Government of Alberta in the Office of Premier. He also was a Deputy Minister of Environment, Parks and Climate Change and Deputy Minister Climate Change Office for the Government of Alberta. Active in his community, Mr. Denhoff has served as a Director for the Greater Victoria Hospital Society, Hospice Victoria, Fair Trade Canada, and the Energy Council of Canada.

Kristine Simpson is the Associate Vice President, Financing Planning & Operations at the University of Victoria. In this role she has a wide variety of responsibilities including campus and capital planning, sustainability, university budgeting, pension services, investments, financial reporting and insurance and risk management. Over her almost 17 years at UVic she has planned, financed and overseen a variety of construction projects totaling over \$250M. She is currently leading the planning of three major projects on campus including a new student housing and dining project with a budget over \$228M. This project will be the largest Passive House project in North America once complete in 2023. She is currently the member of 4 Boards: a trustee for the UVic Combination Pension Plan, chair of the UVic Investment and Administration Committee for the Staff Plan Pension, a member of the investment committee of the Victoria Foundation and chair of the Canadian University Reciprocal Insurance Exchange (CURIE).

Senior Executive Team Biographies

Mark Liedemann, President and CEO

Mark Liedemann has been part of the executive team at Infrastructure BC since 2016 and took on the role of President and CEO in December 2018. In this role, Mark leads the management team responsible for the planning, procurement and implementation of large and complex infrastructure projects in B.C. and throughout Canada. Key responsibilities include corporate strategy as well as shareholder and stakeholder relations.

Mark is committed to developing all his colleagues at IBC and fostering their success by establishing a culture that allows for growth and learning in a knowledge-based workplace. Mark is also committed to lifelong learning, models excellence and integrity and expects the same from others.

Infrastructure BC

Mark joined IBC in 2008 coming from PricewaterhouseCoopers. In his nearly 20 years of experience in infrastructure, notable projects include Canada Line, Port Mann Bridge, Fort St. John Hospital, Iqaluit International Airport, and BC Hydro Smart Meter.

Mark holds a Bachelor of Science from the University of British Columbia and a Master's of Business Administration from the University of Victoria. Mark earned his designation as a CFA Charter holder in 2003.

Chan-Seng Lee, Vice President, Finance and Administration

Chan-Seng Lee joined Infrastructure BC in December 2004. As Vice President of Finance and Administration, he is responsible for finance, information technology, human resources and administration for IBC. He brings 10 years of experience in finance, taxation, mergers and acquisitions, regulatory reporting, information technology, human resources and administration and corporate governance to the Company.

Prior to joining IBC, Chan-Seng was the Chief Financial Officer of CML Global Capital Limited, a publicly listed international investment firm and an officer of Aspen Properties Ltd. and Consolidated Properties Limited, commercial real estate companies. Prior to this, Chan-Seng worked extensively with private companies in the areas of finance, acquisitions and taxation.

Chan-Seng is a Chartered Accountant and is a current member of the Institute of Chartered Accountants of British Columbia and the Canadian Institute of Chartered Accountants. Chan-Seng also holds a Bachelor of Commerce degree in Finance from the University of British Columbia.

Jeff Good, Vice President, Health and Social Infrastructure

Jeff Good is Vice President at Infrastructure BC, with a focus on the health and social infrastructure sectors. Jeff brings a strong finance, capital markets and procurement background to projects with IBC's involvement. Jeff has been involved in the planning and procurement of projects in the health, transportation, and water treatment sectors. Prior to joining IBC, Jeff worked at the Credit Union Central of British Columbia (CUCBC, now Central 1 Credit Union) as a Financial Risk Management Analyst. Jeff played an active role in all matters of investment policy compliance and management of CUCBC's \$3.5 billion-dollar (CDN) portfolio. In addition, Jeff has worked at Toronto-Dominion as a Trader, and at National Bank Financial as an Investment Advisor. Jeff has a Bachelor of Business Administration with a Finance Major from Simon Fraser University. He is a Chartered Financial Analyst (CFA) charter holder and past executive member of the board of the CFA Victoria society.

David Hubner, Vice President, Transportation and Utilities

David Hubner is Vice President at Infrastructure BC, with a focus on the transportation and utilities sectors. He has a Master's of Business Administration (Finance) and an economics degree and spent ten years in the banking sector and corporate finance area prior to his work in procurement. Over the past nine years, David has been involved in several major capital projects in the transportation, energy and accommodation sectors that have provided measurable benefits to end users and taxpayers.

Karen Mill, Assistant Vice President, Legal

Infrastructure BC

Karen Mill joined Infrastructure BC in 2002. As Corporate Legal Counsel, she provides advice on corporate legal issues. In addition, Karen is responsible for providing project legal support primarily during the project procurement stage.

Karen articulated with the B.C. Ministry of Attorney General and was called to the B.C. Bar in September 1998. She has worked primarily in the B.C. public sector in the area of capital procurement and budgeting and has a background in information and privacy and corporate law.

Prior to working with IBC, Karen worked with Capital Division, Treasury Board Staff, B.C. Ministry of Finance, the BC Transportation Financing Authority and the Ministry of Employment and Investment.

Karen has a Bachelor of Arts and a Bachelor of Laws from the University of Victoria. She is a member of the Law Society of British Columbia and the Canadian Society of Corporate Secretaries.

Kim Anderson, Assistant Vice President

Kim Anderson is Assistant Vice President at Infrastructure BC. Since joining IBC almost eight years ago, Kim has worked primarily in the accommodations sector. She brings in-depth knowledge of IBC's service offerings blended with a deep understanding of design and construction, drawing from her engineering background.

Prior to joining IBC, Kim was the managing principal for a large consulting office in Victoria, responsible for project delivery, strategic planning, financial performance and acquisition integration.

Kim holds a Bachelor of Science degree in Civil Engineering from the University of Manitoba, and a Master of Business Administration degree from the University of Victoria.

Catherine Peacock, Assistant Vice President

Catherine Peacock joined Infrastructure BC as an Assistant Vice President in 2019. Prior to joining IBC, Catherine was a Managing Director at PwC in its Capital Projects and Infrastructure practice and a Senior Vice President in Ernst & Young's Infrastructure practice where she was involved in numerous major capital projects in the health, transportation and renewables sectors. She also brings 14 years of experience in the UK National Health Service.

Catherine holds a Bachelor of Science from the University of Wales. She is a Fellow of the UK Chartered Institute of Management Accountants (1993) and holds a Canadian Professional Accountant (CMA) designation (2013).

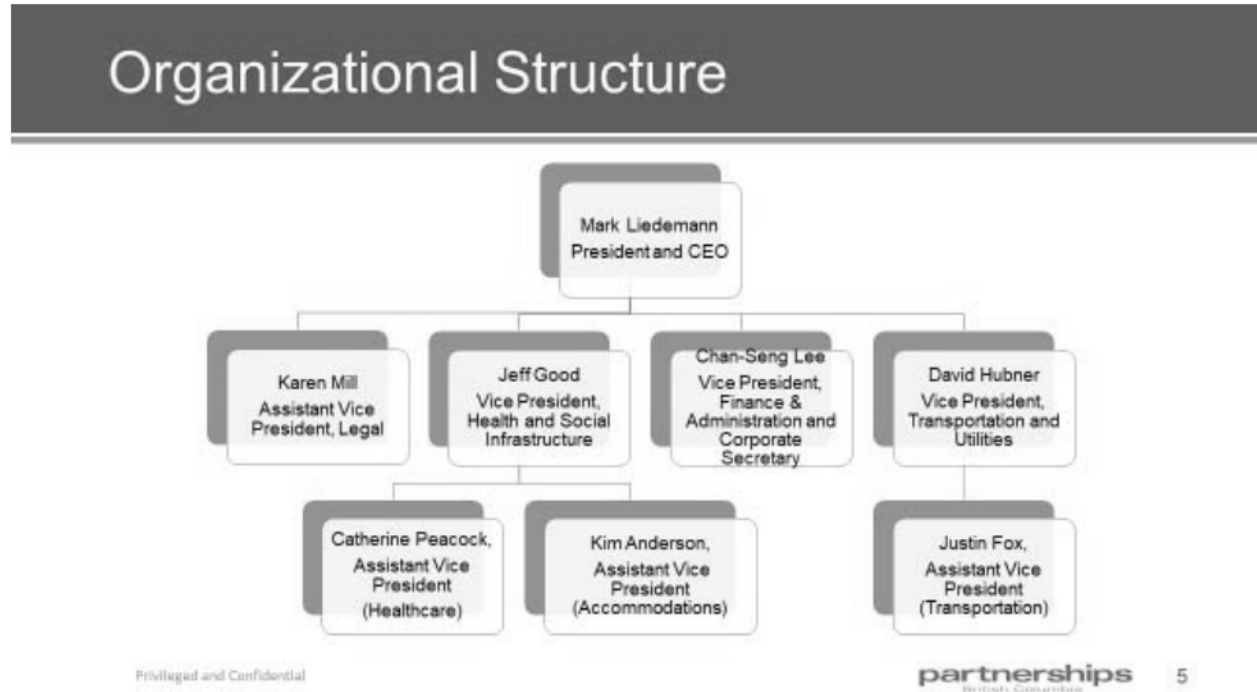
Justin Fox, Assistant Vice President

Justin Fox is an Assistant Vice President with a focus on the transportation sector. Prior to joining Infrastructure BC in 2019, Justin was a Director with the Engineering Projects team at Vancouver Airport Authority (YVR), providing direction for upgrading the airport's various building and infrastructure assets. Prior to this, he spent over fifteen years in the engineering consulting industry in both the UK and Canada across a broad range of building sectors.

Infrastructure BC

Justin has a Bachelor of Engineering degree in Civil Engineering from the University of Liverpool, and a Master's of Business Administration degree from the University of Calgary. He is a Chartered Engineer, registered with the Institution of Civil Engineers (UK) and a licensed Professional Engineer in B.C.

Organizational Chart



Financial Information:

Infrastructure BC operates on a fee for service basis. PBC is economically dependent on the government for its work fee revenues. Any significant changes to the government's capital plan budget, or material changes to current procurement schedules of existing capital projects, may impact IBC's ability to meet its work fees budget.

(\$millions)	2020/21 Budget	2021/22 Plan	2022/23 Plan
Total Revenues	11.31	12.27	12.60
Total Expenses	10.71	11.36	11.65
Net Income/Excess of Revenue over Expenses/Annual Surplus	0.60	0.91	0.95
Capital Expenditures	0.07	0.30	0.09

Note: The information above was presented in IBC's 2020/21 - 2022/23 Annual Service Plan. Budgets for fiscal years 2021/22 to 2022/23 will be updated when IBC issues its 2020/21 to 2022/23 Annual Service Plan.

Partnerships British Columbia Inc.

2020/21 – 2022/23 SERVICE PLAN

February 2020



partnerships
British Columbia

For more information on Partnerships British Columbia Inc. contact:

Suite 1220 - 800 West Pender Street
Vancouver, B.C.
V6C 1J8
(604) 806-4168

Or

Suite 300 - 707 Fort Street
Victoria, B.C.
V8W 3G3
(250) 475-4668

Or visit our website at
www.partnershipsbc.ca

Board Chair Accountability Statement



The 2020/21 – 2022/23 Partnerships BC Service Plan was prepared under the Board’s direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 11, 2020 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, Partnerships BC’s mandate and goals, and focus on aspects critical to the organization’s performance. The targets in this plan have been determined based on an assessment of Partnerships BC’s operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in cursive script, appearing to read "Dana Hayden".

Dana Hayden
Board Chair

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Strategic Direction and Alignment with Government Priorities

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy. Crown corporations are essential to achieving these priorities by providing quality, cost-effective services to British Columbia families and businesses.

Additionally, where appropriate, the operations of Crown corporations will contribute to:

- The objectives outlined in the government’s newly released A Framework for Improving British Columbians’ Standard of Living,
- Implementation of the *Declaration on the Rights of Indigenous Peoples Act* and the Truth and Reconciliation Commission Calls to Action, demonstrating support for true and lasting reconciliation, and
- Putting B.C. on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water as described in the CleanBC plan.

By adopting the Gender-Based Analysis Plus (GBA+) lens to budgeting and policy development, Crown corporations will ensure that equity is reflected in their budgets, policies and programs.

Partnerships BC is owned by the Province of British Columbia and governed by a Board of Directors reporting to its sole Shareholder, the Minister of Finance. It is incorporated under the *British Columbia Business Corporations Act*.

Partnerships BC advises clients how best to plan, procure and deliver public infrastructure projects to foster innovation and quality, address key service needs and to manage projects to be on time and on budget, using a variety of procurement models. When delivered on time and within the capital and affordability ceilings, governments are able to make their planned investments in critical public services more effectively.

Partnerships BC’s strategic direction and mandate have been set by its Shareholder, as per the Crown’s [2020/21 Mandate Letter](#). In January 2018, cabinet directed the Ministry of Finance to review Partnerships BC’s mandate. The current corporate goals reflect Partnerships BC’s renewed mandate to ensure it is meeting Shareholder and client needs.

As outlined in the 2020/21 Mandate Letter from the Minister of Finance, Partnerships BC will focus on three strategic priorities in the coming year:

- Continue to provide support for government priorities as they relate to capital projects including, but not limited to, affordable housing, CleanBC, the Wood First Act and increasing childcare spaces.
- Review and update the agency’s service plan goals, objectives, strategies, performance measures and financial forecasts to ensure alignment with the recommendations from the review of Partnerships BC’s mandate and procurement methodology.
- Continue to enhance the understanding of project owners in government and other stakeholders of best practices in capital planning and procurement, help improve communication among these parties and better understand stakeholders’ needs.

Partnerships BC has relationships with clients in B.C. including: the Ministries of Transportation and Infrastructure, Health, Public Safety and Solicitor General, Education, Tourism, Arts and Culture and Advanced Education, Skills and Training, along with the provincial health authorities, school districts

and several B.C. Crown corporations. While the focus of Partnerships BC is British Columbia (government) based work, when resources allow, Partnerships BC also offers services to clients outside of the provincial government including local governments, other provinces and the federal government.

In support of the Provincial government’s priority to incorporate community benefits into major infrastructure projects, Partnerships BC is working with the Ministry of Transportation and Infrastructure and BC Infrastructure Benefits Inc. (BCIB) on projects to incorporate this approach. To date, these projects are the Pattullo Bridge Replacement, Broadway Subway and Kicking Horse Canyon – Phase 4.

Vision

To improve people’s lives and communities through infrastructure.

Mandate (Mission)

Working with owners to deliver complex public infrastructure in an evolving world.

Values

People First

- Our team and clients are at the forefront of all decisions
- Focus on learning and continuous improvement

Integrity

- Honest, reliable and ethical. Accountable in everything we do

Collaboration

- Through dedicated teamwork, we respond effectively to the needs of our clients

Partnerships BC is aligned with Government’s key priorities:

Government Priorities	Partnerships BC Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • Complex provincial infrastructure projects delivered on budget (i.e., within the projects’ capital and affordability ceilings) and within the agreed upon procurement schedules. (Goal 1, Objectives 1.1 and 1.2)
Delivering the services people count on	<ul style="list-style-type: none"> • Meet procurement objectives associated with complex infrastructure projects that provide much-needed services for the citizens of B.C. (Goal 1)
A strong, sustainable economy	<ul style="list-style-type: none"> • Provincial capital project procurements contribute to job creation and thereby support a strong and sustainable economy. (Goal 1)

Operating Environment

Since its inception in 2002, Partnerships BC has participated in 57 projects with a cumulative capital investment of approximately \$19 billion. Of these, eight projects with a total capital investment of \$2.2 billion were undertaken for governments in Canada other than the government of BC. In fiscal 2019/20 Partnerships BC supported the procurement of eleven projects, three of which reached final project agreements. Planning for next fiscal year indicates Partnerships BC will likely work on fifteen projects in procurement.

The future outlook for complex capital projects in B.C. remains strong, and there is potential for a significant project flow in the coming years with the federal government's continuing and new infrastructure funding programs. While the number of projects remains strong, BC has experienced a new trend whereby fewer bids per project are submitted than in the past and those proponents that do bid are more risk averse. Partnerships BC continues to examine innovative procurement models to deal with the challenge of fewer bidders and related market dynamics.

During the past twelve months Partnerships BC has welcomed twelve new staff members (accounting for 30% of its workforce) to the organization. Understandably there is an accompanying transition time for these new team members to fully immerse themselves within their job roles and responsibilities. Partnerships BC has a sound foundation of long-term team members who will provide guidance to new staff during their integration period.

Performance Plan

Partnerships BC acts as an interface between public sector entities and private sector companies in the procurement and delivery of complex capital projects. Partnerships BC's services include:

- Project planning
- Concept plan and business case development
- Procurement advice and management
- Design and construction oversight
- Contract administration
- Project communications support

Goal 1: Planning and procurement associated with complex infrastructure projects supports government priorities

**Goal 1 modified to reflect the 2021 Mandate letter priorities as outlined by the Minister of Finance

Objective 1.1: Achieve agreed-upon project procurement schedules

Key Strategies:

- Use effective processes and contractual requirements to meet project procurement schedules under various partnership models.
- Use of appropriate governance models throughout the project procurement process.

Performance Measure	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.1 Each project is delivered based on the agreed upon procurement schedule	Achieved	Expect to achieve	Expect to achieve	Expect to achieve	Expect to achieve

Linking Performance Measures to Objectives:

- 1.1 Partnerships BC closely tracks each project procurement process to help achieve procurement schedule targets.

Objective 1.2: Meet capital and affordability ceilings and achieve value for money for projects

Key Strategies:

- Promote robust market competition for project procurement under various partnership models.
- Develop risk-based cost analysis for projects at the Business Case stage and update as necessary prior to release of the Request for Proposals (RFP).
- Implement procurement processes that deliver projects within established capital and affordability ceilings.
- Develop a library of lessons learned with respect to planning, procurement, design development, construction, commissioning and operations.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.2a Each project that reaches financial close is within capital and affordability ceilings	Achieved	Continue to achieve	Continue to achieve	Continue to achieve	Continue to achieve
1.2b Achieve value for money at financial close ¹	Achieved	Expect to achieve	Expect to achieve	Expect to achieve	Expect to achieve

1. Value for money is the risk-adjusted difference in present value dollar terms between the partnership and traditional delivery models costs. Not all benefits are captured in a value for money number. Examples of such benefits include early completion and delivery of associated services to the public or improved long-term service outcomes (e.g. better clinical outcomes in a hospital).

Linking Performance Measures to Objectives:

- 1.2a Partnerships BC works with client ministries to develop comprehensive risk-based capital and affordability ceilings, with the objective that proponents' financial proposals can be delivered within these ceilings. Delivering projects on or under these ceilings contributes to Governments' ability to effectively make planned investments in other critical public infrastructure (e.g., minimizes need for reductions or deferrals of other projects to accommodate project cost increases).
- 1.2b Partnerships BC recommends the procurement model that optimizes value for money, which ensures effective allocation of public financial resources to address service needs.

Objective 1.3: Maintain fairness and transparency in project procurement processes

Key Strategies:

- Initiate innovative procurement processes and contracts, and work with clients and the market to achieve procurement objectives.
- Publish fairness advisor reports that assess the fairness of the procurement process.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.3 Clean Fairness Advisor report where size and scope warrants fairness review	Achieved	Expect to achieve	Expect to achieve	Expect to achieve	Expect to achieve

Linking Performance Measures to Objectives:

- 1.3 Fairness Advisor reports are created for both the Request for Qualifications (RFQ) and Request for Proposals (RFP) phases. The reports help strengthen market confidence in Partnerships BC-led procurements, contributing to strong market competition and improved pricing and value for projects. A clean fairness advisor report would comment positively on the treatment of participants, application of evaluation criteria, fairness and transparency.

Objective 1.4: Support government priorities

Key Strategies:

- Partnerships BC will continue its inclusion of *Wood First Act* within its procurement documents.
- Seek opportunities to include Indigenous Peoples and businesses through the procurement process.
- Within business case planning phase, ensure energy efficiency and/or low carbon options are analyzed unless otherwise directed by government.
- Work with the Ministry of Finance on joint business case guidance.
- Work with the Ministry of Finance to develop appropriate qualitative criteria that are applicable to all projects for inclusion in the Capital Asset Management Framework (CAMF).
- Work with the Ministry of Finance to develop an understanding of GBA+ and incorporate in the procurement process, where appropriate.

Goal 2: Deliver value to our clients and engage stakeholders

Objective 2.1: Promote strong market participation

Key Strategies:

- Consistently engage with market participants.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.1 Competitive procurements	Two procurements did not receive at least four qualified respondents at RFQ stage.	At least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage

Linking Performance Measures to Objectives:

- 2.1 Public sector clients receive the best value through robust market participation and competition. Partnerships BC targets a minimum of four capable respondents in each capital project procurement.

Discussion:

Many factors affect the ability to successfully achieve procurement schedule targets including: changing government priorities, client timelines, external economic environment, market capacity, stakeholder engagement and election cycles at all levels of government.

Objective 2.2: Maintain client satisfaction**Key Strategies:**

- Partnerships BC will continue to conduct client surveys to measure satisfaction with Partnership BC's services. Performance will be compared to the 2015/16 baseline of 80 per cent satisfaction.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.2 Client satisfaction	N/A ¹	Achieve 85% client satisfaction or higher	N/A ¹	Achieve 85% client satisfaction or higher	N/A ¹

- The next survey will be held in Q4 of 2019/20 fiscal year and biennially thereafter.

Linking Performance Measures to Objectives:

- As a service-driven organization, maintaining a high level of client satisfaction has proven to be a key driver of our year-over-year success as evidenced by many of our repeat clients. The survey measures staff expertise, quality of results, and the value added by Partnerships BC's participation.

Objective 2.3: Maintain stakeholder satisfaction**Key Strategies:**

- Implement a stakeholder engagement program that uses a range of methods to gather and respond to feedback. Examples include surveys, market outreach sessions, meetings and briefings, workshops and information sharing events, conferences and business-to-business networking sessions.
- Execute effective stakeholder outreach and engagement in procurement practices.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.3 Stakeholder satisfaction ¹	N/A ²	Greater or equal to 2016/17 survey results of 83.3%	N/A ²	Maintain or improve upon previous survey's performance	N/A ²

- The client and stakeholder satisfaction ratings have a standard error of +/- 8 per cent at the 95 per cent level of confidence. Partnerships BC has a limited number of clients and stakeholders, and as a result, the percentage satisfaction rating may fluctuate from year to year.
- The next survey will be held in Q4 of 2019/20 fiscal year and biennially thereafter.

Linking Performance Measures to Objectives:

- Our work impacts a large number of stakeholders. Effectively engaging our stakeholders improves their understanding and involvement in our projects and infrastructure development. The survey measures trust, willingness to listen, and open and transparent processes.

Goal 3: Maintain a responsive and resilient organization

Objective 3.1: Be financially self sufficient

Key Strategies:

- Actively assess revenue-generating opportunities through the development and application of Partnerships BC's business development plan. The plan identifies key strategies and tactics necessary to ensure the agency maintains financial self-sufficiency.
- Create an effective project work/revenue flow, with appropriate accountability, resourcing, and effective delegation across the agency.
- Diversify revenue sources throughout the three main sectors: Transportation and Utilities, Health Care and Accommodations with no one sector accounting for less than 25 per cent of total revenues.
- Increase or expand support to governments on complex infrastructure projects and other government priorities.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.1a Self sufficiency	Achieved	Expect to achieve net income target of \$0.30M	Expect to achieve net income target of \$0.60M	Expect to achieve net income target of \$0.91M	Expect to achieve net income target of \$0.95M
3.1b Each sector will contribute at least 25% to work fees revenue ¹	New measure for 2019/20	Expect to achieve	Expect to achieve	Expect to achieve	Expect to achieve

1. Transportation and Utilities, Health Care and Accommodations.

Linking Performance Measures to Objectives:

- 3.1a Partnerships BC secures fee-based project work within and outside the B.C. Government to support its operations and thereby achieve financial self-sufficiency (Partnerships BC does not receive any annual operating grants from the Government of B.C.).
- 3.1b Partnerships BC will strive to diversify revenues sources by setting a target of at least 25 per cent of total revenues from each of the three major sectors – Transportation and Utilities, Health Care and Accommodations. This is a new measure that will be refined over time.

Objective 3.2: Provide a workplace that promotes employee engagement and satisfaction

Key Strategies:

- Promote strong teamwork and open communication amongst all staff members and provide significant learning opportunities.
- Measure employee satisfaction through surveys, with a target of 80 per cent satisfaction. Partnerships BC conducts an employee survey every two years through anonymous feedback and a third-party service provider. The employee satisfaction survey and employee retention are instrumental in ensuring the continuity of project success.
- Improve staff retention and develop employee skills and satisfaction through professional development.

Performance Measures	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.2 Employee satisfaction survey with a goal to achieve 80% or higher rating ¹	NA	Expect to achieve	N/A	Expect to achieve	N/A

1. The next survey will be held in Q4 of 2019/20 fiscal year and biennially thereafter.

Linking Performance Measures to Objectives:

- 3.2 Partnerships BC works in a knowledge management industry, and the agency's most important asset is its employees. Employee satisfaction supports continuity on projects and knowledge transfer to new employees. A well-managed agency supports employee development and provides growth and challenging opportunities. Partnerships BC measures employee satisfaction through job satisfaction and commitment using a standardized survey used by other ministries and crown agencies. The survey measures outcomes in various areas including teamwork, professional development and job suitability.

Financial Plan

Summary Financial Outlook

(in millions of dollars except FTEs)	2019/20 Budget	2020/21 Budget	2021/22 Plan	2022/23 Plan
Total Revenues				
Fees for Service	8.12	9.02	9.96	10.26
Other Revenues	0.39	0.39	0.40	0.41
Project Recoveries	2.00	1.90	1.91	1.93
Total Revenues	10.51	11.31	12.27	12.60
Total Operating and Recoverable Expenses				
Human Resource Costs	6.45	6.95	7.55	7.78
Professional Services	0.27	0.28	0.29	0.29
Administration	1.30	1.34	1.38	1.41
Corporate Relations	0.06	0.06	0.06	0.06
Amortization	0.13	0.18	0.17	0.18
Project Recoverable Expenses	2.00	1.90	1.91	1.93
Total Expenses	10.21	10.71	11.36	11.65
Annual Surplus	0.30	0.60	0.91	0.95
Total Long-Term Debt	-	-	-	-
Number of Full Time Equivalents (FTEs)	36.8	40.4	40.4	40.4
Accumulated Surpluses	18.48	19.08	19.99	20.94
Capital Expenditures	0.17	0.07	0.30	0.09
Dividends/Other Transfers	-	-	-	-

Financial Plan

Summary of Key Assumptions

The budgeted financial information for fiscal years 2020/21 to 2022/23 was prepared based on the following assumptions and direction from the Shareholder:

1. FTEs information is as at fiscal year-end and is subject to change if there are changes to current and likely engagements. This staffing complement will allow Partnerships BC to maintain its core competencies and will also provide the Government of B.C. with sufficient expertise to focus on its current and future capital projects.
2. There is no increase to Partnerships BC's charge-out rates to provincial clients in fiscal years 2020/21 to 2022/23.
3. Operating expenses for fiscal years 2020/21 to 2022/23 are developed based on a zero-based budgeting exercise.
4. Capital expenditures for 2020/21 to 2022/23 are predominantly for network and employee computer hardware requirements. Computer software licenses are renewed annually and are disclosed as administration costs.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

[Partnerships BC Board of Directors](#)

[Senior Management Team](#)

Organizational Overview

[Partnerships BC Governance Principles](#)

[Organizational Overview](#)

Partnerships British Columbia

2019/20 Annual Service Plan Report



Board Chair's Accountability Statement



The *Partnerships BC 2019/20 Annual Service Plan Report* compares the corporation'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 cursive script, appearing to read "Dana Hayden".

Dana Hayden
Chair, Board of Directors
June 18, 2020

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Letter from the Board Chair & CEO

Please find enclosed our Annual Service Plan Report for fiscal year 2019/20 which summarizes Partnerships BC's performance in the context of the [Mandate Letter](#) provided to us by our Shareholder, the Minister of Finance.

Partnerships BC supported the Government of B.C.'s three priorities as outlined in our 2019/20 Mandate Letter:

to make life more affordable;

to deliver the services that people count on; and

to build a strong, sustainable, innovative economy that works for everyone.

Partnerships BC brings its procurement expertise and knowledge of infrastructure development to each project ensuring that projects are meeting the needs of citizens and clients. Partnerships BC works in concert with the Ministry of Finance to ensure that our priorities align with the Government of B.C.'s infrastructure development priorities. In 2019/20 government completed its review of the mandate of Partnerships BC, concluding that the corporation continues to add significant value for its clients, and concluded that it should remain a key organization in the delivery of infrastructure projects for the BC government and for other clients.

In 2019/20, Partnerships BC worked on a significant number of projects from schools to hospitals and transit to highways.

Partnerships BC worked closely with the Ministry of Transportation and Infrastructure, Transportation Investment Corporation, and TransLink on projects including the Pattullo Bridge Replacement, the Broadway Subway, Kicking Horse Canyon Phase 4, Surrey Langley SkyTrain, and Highway 91/17 upgrades.

Partnerships BC worked with several health authorities and the BC Ministry of Health on the Royal Columbian Hospital Redevelopment Phase 2 and 3, Mills Memorial Hospital Redevelopment, Cowichan Regional Hospital, Cariboo Memorial Hospital, Dawson Creek Hospital, Stuart Lake Hospital, Lions Gate Hospital Redevelopment – Phase 3 Acute Care Facility, and Burnaby Hospital Phase 1 Redevelopment.

Finally, Partnerships BC worked with several Ministries to advance accommodation sector projects including the Abbotsford Law Courts, Royal BC Museum, Nanaimo Correctional Centre, Coast Mountain College Student Housing, and Eric Hamber Secondary School.

Stakeholder engagement continues to be a priority for Partnerships BC in 2019/20, and Partnerships BC conducted its biennial client and stakeholder survey during the fourth quarter.

During 2019/20, Jill Leversage's Board term with Partnerships BC ended. We thank her and wish her well.

As Partnerships BC's fiscal year end neared, COVID-19 was declared a pandemic by the World Health Organization (WHO) creating immediate adjustments for Partnerships BC staff and projects. Supporting the measures enacted by Government, staff began working remotely effective March 17, 2020. At the time of this report, it became clear that there may be impacts on certain project schedules in 2020-21 as a result of the COVID-19 pandemic.

Throughout the COVID-19 pandemic, Partnerships BC will continue to support its clients and the health and wellbeing of its staff. Partnerships BC is also prepared to support stimulus programs for economic recovery from all levels of government.

On behalf of the Board of Directors and executive team, we would like to thank everyone at Partnerships BC for their continued hard work and dedication.



Dana Hayden
Chair, Board of Directors
Partnerships BC



Mark Liedemann
President and CEO
Partnerships BC

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 Crown Corporation's Board is required to report on the actual results of the Crown's performance compared to the forecasted targets documented in the previous year's Service Plan.

Purpose of the Organization

Partnerships BC (the Organization) is owned by the Province of British Columbia and governed by a Board of Directors reporting to its sole Shareholder, the Minister of Finance. It is incorporated under the *Business Corporations Act*.

Partnerships BC's strategic direction and mandate have been set by its Shareholder in part outlined in the 2019/20 mandate letter. Partnerships BC's corporate goals reflect its mandate to ensure it is meeting Shareholder and client needs.

Partnerships BC advises public sector clients how best to plan, procure and deliver capital projects to foster innovation and quality, address key service needs and to manage projects to be on time and on budget, using a variety of procurement models. These models engage the private sector and efficiently allocate risk to provide the best value and outcome for all of Partnerships BC's projects. In all cases, the public sector owns the infrastructure and maintains full oversight of the projects.

Strategic Direction

The strategic direction set by Government in 2019/20 and expanded upon in the Board Chair's Mandate Letter from the Minister Responsible in 2019 shaped the 2019/20 Partnerships BC Service Plan and results reported in this annual report.

Partnerships BC is aligned with the Government's key priorities:

Government Priorities	Partnerships BC aligns with these priorities by:
Making life more affordable	<ul style="list-style-type: none"> Complex provincial infrastructure projects delivered on budget (i.e., within the projects' capital and affordability ceilings) and within the agreed upon procurement schedules. (Objectives 1.1 and 1.2)
Delivering the services people count on	<ul style="list-style-type: none"> Meet procurement objectives associated with complex infrastructure projects that provide much-needed services for the citizens of B.C. (Goal 1)
A strong, sustainable economy	<ul style="list-style-type: none"> Provincial capital project procurements contribute to job creation and thereby support a strong and sustainable economy. (Goal 2)

Operating Environment

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 from 2018. Employment increased by 2.6 per cent on the year. 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 2.3 per cent. B.C. retail sales increased by 0.6 per cent in 2019, a more moderate pace compared to 2.0 per cent growth 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.

Since its inception in 2002, Partnerships BC has participated in 60 projects with a cumulative capital investment of approximately \$19 billion. Of these, eight projects with a total capital investment of \$2.2 billion were undertaken for governments in Canada other than the Government of BC. In fiscal 2019/20 Partnerships BC supported the procurement of eleven projects, three of which concluded with the execution of a design build agreement with the private sector, and in one case, private sector financing of the construction of the project.

The construction market is very busy in all parts of B.C. and in other provinces. In particular, housing-related construction caused a shortage of skilled labour through 2019/20. This market condition has resulted in less robust competition and increased cost pressures for infrastructure projects. While the number of projects remained strong, BC has experienced a new trend whereby fewer bids per project are submitted than in the past and those proponents that do bid are more risk averse. Throughout 2019/20, Partnerships BC continued to examine innovative procurement models to deal with the challenge of fewer bidders and related market dynamics.

During the past twelve months, Partnerships BC welcomed twelve new staff members to the organization, accounting for 30% of its workforce, to support the additional workload within the organization. Understandably there was an accompanying transition time for these new team members to fully immerse themselves within their job roles and responsibilities. Partnerships BC has a sound foundation of long-term team staff members who provide guidance to new staff during their integration period.

Stakeholder engagement and business development continued to be a key focus for Partnerships BC. Large group presentations and one-on-one meetings helped to ensure that Partnerships BC understood and addressed the needs of its stakeholders, clients and potential clients, and that Partnerships BC was able to provide detailed procurement model presentations to stakeholders and clients.

Partnerships BC's mandate to be a self-sustaining organization remains unchanged. The team continued to increase the number of projects it works on, properly resourcing each project and delivering added value to our clients. In January 2018, cabinet directed the Ministry of Finance to review Partnerships BC's mandate which led to the 2019/20 revision of Partnerships BC's vision, mission and values as well as forming the 2020/21 corporate goals.

Towards the end of 2019-20, COVID-19 was declared a pandemic by the World Health Organization (WHO). This instantly changed daily operations for Partnerships BC staff. Supporting the measures enacted by Government, staff began working remotely effective March 17, 2020. Staff and the Board are planning for the future and ensuring that Partnerships BC's expertise and staff will be available to complete existing projects and those that will form an important part of restarting the economy.

Report on Performance: Goals, Objectives, Measures and Targets

Goal 1: Meet procurement objectives associated with complex infrastructure projects

Objective 1.1: Achieve agreed-upon project procurement schedules

Key Highlights

- Used effective processes and contractual requirements to meet project procurement schedules under various partnership models.
- Used appropriate governance models throughout the project procurement process.

Performance Measure	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
1.1 Project is delivered based on the agreed upon procurement schedule	Achieved	Expect to achieve	One of three projects did not meet target	Expect to achieve	Expect to achieve

Discussion of Results

Due to proponent team changes, one project was not delivered within the agreed upon schedule however the project did reach final a project agreement with the private sector and is proceeding. COVID-19 may cause further schedule challenges in coming year(s). Partnerships BC will mitigate this impact in achieving schedule targets to the best of its ability by balancing schedule flexibility in conjunction with client's availability.

Objective 1.2: Meet capital and affordability ceilings and achieve value for money for projects

Key Highlights

- Promoted robust market competition for project procurement under various partnership models.
- Developed risk-based cost analysis for projects at the Business Case stage and updated as necessary prior to release of the Request for Proposals (RFP).
- Implemented procurement processes that deliver projects within established capital and affordability ceilings.
- Developed a library of lessons learned with respect to planning, procurement, design development, construction, commissioning and operations.

Performance Measures	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
1.2a Each project that reaches financial close is within capital and affordability ceilings	Achieved	Expect to achieve	One of three projects did not meet target	Expect to achieve	Expect to achieve
1.2b Achieve value for money at financial close ¹	Achieved	Expect to achieve	N/A	N/A	Expect to achieve

¹Value for money is the risk-adjusted difference in present value dollar terms between the partnership and traditional delivery models costs. Not all benefits are captured in a value for money number. Examples of such benefits include early completion and delivery of associated services to the public or improved long-term service outcomes (e.g. better clinical outcomes in a hospital).

Discussion of Results

1.2a Capital and affordability ceilings are determined within the business case. One project did not meet the capital and affordability ceilings due to the discrepancy between the original budget and current market conditions which included increased competition for resources and raw materials. Three projects reached financial close in fiscal 2019/20.

1.2b Value for Money reports are developed for projects using the design build finance maintain procurement model. There were no projects using this model in fiscal 2019/20.

Objective 1.3: Maintain fairness and transparency in project procurement processes

Key Highlights

- Initiated innovative procurement processes and contracts and worked with clients and the market to achieve procurement objectives.
- Published fairness advisor reports that assess the fairness of the procurement process.

Performance Measure	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
1.3 Clean Fairness Advisor report where size and scope warrants fairness review	Achieved	Expect to achieve	Achieved	Expect to achieve	Expect to achieve

Discussion of Results

Project size determines if a fairness advisor will be engaged. Partnerships BC published fairness advisor reports that assessed the fairness of the procurement process for the projects with which an advisor was engaged. Three projects had fairness advisor reports in fiscal 2019/20.

Goal 2: Deliver value-add to our clients and engage stakeholders effectively

Objective 2.1: Promote strong market participation

Key Highlights

- Consistently engaged with market participants.
- Arranged market sounding initiatives for projects.
- Actively solicited feedback from potential market proponents regarding interest and availability to participate in projects.

Performance Measure	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
2.1 Competitive procurements	Two procurements did not receive at least four qualified respondents at RFQ stage.	At least four qualified respondents at RFQ stage	Five out of nine procurements did not receive at least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage	At least four qualified respondents at RFQ stage

Discussion of Results

Despite significant efforts to engage potential bidders, market pressures (as described above in the Operating Environment) led to challenges in securing four qualified bidders in the healthcare and accommodation infrastructure sectors. Extreme market pressures were experienced in capital projects throughout 2019/20. There are limited contractors with the experience to successfully undertake major capital projects. Additionally, there were a large number of competing projects in the private sector with attractive risk profiles and margins.

Partnerships BC is developing new procurement models for consideration to increase competition on all projects.

Objective 2.2: Maintain client satisfaction**Key Highlights**

- Partnerships BC conducts client surveys to measure satisfaction with Partnerships BC's services. Performance will be compared to the 2015/16 baseline of 80 percent satisfaction.

Performance Measure	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
2.2 Client satisfaction	N/A ¹	Achieve 85% client satisfaction or higher	Achieved	N/A ¹	Achieve 85% client satisfaction or higher

¹The most recent survey was held in Q4 of 2019/20 fiscal year and will be held biennially thereafter.

Discussion of Results

Partnerships BC received a score of 88/100 in the 2019/20 survey. Partnerships BC results showed that virtually all survey participants saw value in Partnerships BC's work, with almost seven out of ten viewing the organization's work as "very valuable".

Objective 2.3: Maintain stakeholder satisfaction**Key Highlights**

- Implemented a stakeholder engagement program that used a range of methods to gather and respond to feedback. Examples include surveys, market outreach sessions, meetings and briefings, workshops and information sharing events, conferences and business-to-business networking sessions.
- Executed effective stakeholder outreach and engagement in procurement practices.

Performance Measure	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
2.3 Stakeholder satisfaction ¹	N/A ²	Maintain or improve upon previous survey's performance	Achieved	N/A ²	Maintain or improve upon previous survey's performance

¹The client and stakeholder satisfaction ratings have a standard error of +/- 13 percent at the 95 percent level of confidence. Partnerships BC has a limited number of clients and stakeholders, and as a result, the percentage satisfaction rating may fluctuate from year to year.

²The most recent survey was held in Q4 of 2019/20 fiscal year and will continue biennially thereafter.

Discussion of Results

Partnerships BC received a score of 88/100 in the 2019/20 survey. This is an increase of 5% from the previous survey conducted in fiscal 2016/17. Partnerships BC is seen by stakeholders as “an enabler to get projects procured in a consistent, professional way”.

Goal 3: Maintain a responsive and resilient organization

Objective 3.1: Achieve annual financial self-sufficiency

Key Highlights

- Actively assessed revenue-generating opportunities through the development and application of Partnerships BC’s business development plan. The plan identifies key strategies and tactics necessary to ensure the agency maintains financial self-sufficiency.
- Created an effective project work/revenue flow, with appropriate accountability, resourcing, and effective delegation across the agency.
- Diversified revenue sources throughout the three main sectors: Transportation and Utilities, Health Care and Accommodations with no one sector accounting for less than 25 percent of total revenues.
- Increased or expanded support to Government on complex infrastructure projects and other Government priorities.

Performance Measures	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
3.1a Self sufficiency	Achieved	Expect to achieve net income target	Achieved See discussion of financial results	Expect to achieve net income target of \$0.60M	Expect to achieve net income target of \$0.91M
3.1b Each sector will contribute at least 25% to consulting fees revenue ¹	New measure for 2019/20	Expect to achieve	Achieved	Expect to achieve	Expect to achieve
3.1c Total revenues from out-of-entity clients 10%	New measure for 2019/20	Expect to achieve	Target not met	N/A ²	N/A

¹Sectors include Transportation and Utilities, Health Care and Accommodations.

²Measure Discontinued

Discussion of Results

3.1a Partnerships BC net income achieved was \$584, 513 which exceeded its net income target of \$299,835.

3.1b The Healthcare, Transportation, Accommodation and Social Infrastructure sectors within Partnerships BC all contributed a minimum of 25% consulting fees revenue.

3.1c Going forward, target discontinued as Partnerships BC is focused on supporting the Province of BC's significant infrastructure commitments. Partnerships BC had three clients who were not part of the B.C. Government Reporting Entity during the year, however Partnerships BC did not have sufficient revenues from those clients to meet the target. Partnerships BC had opportunities for additional out of entity work that were declined to meet the needs of the Province of BC.

Objective 3.2: Provide a workplace that promotes employee engagement and satisfaction

Key Highlights

- Promoted strong teamwork and open communication amongst all staff members and provided significant learning opportunities.
- Measured employee satisfaction through surveys, with a target of 80 percent satisfaction. Partnerships BC conducts an employee survey every two years through anonymous feedback and a third-party service provider. The employee satisfaction survey and employee retention are instrumental in ensuring the continuity of project success.
- Developed employee skills and satisfaction through professional development as well as to improve staff retention.

Performance Measures	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
3.2a Employee satisfaction survey with a goal to achieve 80% or higher rating*	NA	Achieve 80% or higher rating in employee satisfaction survey	Achieved 82% rating	N/A	Expect to achieve
3.2b Investment in staff professional development	NA	Invest a minimum of 140 days in staff professional development	Achieved	N/A**	N/A**

*The most recent survey was held in Q4 of 2019/20 fiscal year and biennially thereafter.

** Going forward, target discontinued as measure is captured within employee satisfaction (3.2a).

Discussion of Results

3.2a Partnerships BC received a score of 82/100 in the 2019/20 survey. The employee satisfaction survey and employee retention are instrumental in ensuring the continuity of project success. Overall responses were positive. Employees value their work with Partnerships BC.

3.2b Partnerships BC invested 175 days in staff professional development. Staff participated in individual professional development days as well as training and development sessions that were coordinated by the organization. Sessions included GBA+ and Indigenous Relations training.

Financial Report

Discussion of Results

This Discussion of Results of Partnerships British Columbia Inc. (Partnerships BC or the ‘Organization’) is intended to be read in conjunction with the audited financial statements and accompanying notes. The results reported are prepared in accordance with Canadian Public Sector Accounting Standards using guidelines developed by the Public Sector Accounting (PSA) Board of the Chartered Professional Accountants of Canada.

This Discussion of Results presents an analysis of Partnerships BC’s 2019/20 financial performance in comparison to the previous fiscal year and 2019/20 budget. Some totals may not be precise due to rounding.

Comparison of 2019/20 and 2018/19 Financial Performances

During the year, the Organization had consulting fee revenues of \$8,220,846 in 2019/20 compared to \$7,155,667 in 2018/19; an increase of \$1,065,179 or 15 percent. The increase in consulting fee revenues was largely due to the number of projects in procurement in 2019/20 – eleven versus seven in 2018/19 together with several projects in the business case phase.

The Organization reached final project agreements on two projects, Highway 91/17 Upgrade and Pattullo Bridge Replacement, with Eric Hamber Secondary School at the preferred proponent stage. The Organization has eight projects in procurement, which are Broadway Subway Line, Burnaby Hospital Redevelopment Phase 1, Coast Mountain College Student Housing, Lions Gate Hospital Redevelopment – Phase 3 Acute Care Facility, Mills Memorial Hospital, Nanaimo Correctional Centre, Kicking Horse Canyon Phase 4, and Royal Columbian Hospital Redevelopment Phase 2 and 3.

In 2019/20, the majority of Partnerships BC's consulting fee revenues were generated from the following projects:

Project	Delivery Model	Business Case	Procurement
Highway 91/17 Upgrades	DB	Procurement commenced in fiscal 2018/19 and a contract with the private sector was executed in fiscal 2019/20	
Pattullo Bridge Replacement	DBF	Procurement commenced in fiscal 2018/19 and a contract with the private sector was executed in fiscal 2019/20	
Eric Hamber Secondary School Replacement	DB	Procurement commenced in fiscal 2018/19 and owner is finalizing a contract with the preferred proponent	
Broadway Subway	DBF	Business case was completed in fiscal 2018/19	In procurement
Burnaby Hospital Redevelopment Phase 1	DBF	Business case was completed in fiscal 2018/19	In procurement
Coast Mountain College Student Housing	DB	Partnerships BC was not involved in the business case	In procurement
Kicking Horse Canyon Phase 4	DB	Partnerships BC was not involved in the business case	In procurement
Lions Gate Hospital Redevelopment – Phase 3 Acute Care Facility	DB	Partnerships BC was not involved in the business case	In procurement
Mills Memorial Hospital	DB	Business case was completed in fiscal 2018/19	In procurement
Nanaimo Correctional Centre	DB	Business case was completed in fiscal 2019/20	In procurement
Royal Columbian Hospital Redevelopment Phase 2 and 3	DB	Revised business case was completed in fiscal 2018/19	In procurement

During the year, Partnerships BC also supported the development and/or completion of concept plans and/or business cases for the following projects:

- Cariboo Memorial Hospital;
- Cowichan District Hospital;
- Dawson Creek Hospital;
- Stuart Lake Hospital;
- Surrey Langley SkyTrain; and
- Royal BC Museum.

During the year, Partnerships BC provided advisory services during design, construction and operations on the following projects:

- Royal Columbian Hospital Redevelopment Phase 1; and
- Abbotsford Courthouse.

The table below presents a comparison of selected Statements of Operations for fiscal 2019/20 with those of the previous fiscal year.

			% of revenues	
	2020	2019	2020	2019
Revenues	\$ 8,637,717	\$ 7,518,903	100.0%	100.0%
Human resources	6,294,927	5,273,179	72.9%	70.1%
General and administrative expenses	1,589,110	1,396,377	18.4%	18.6%
Amortization	169,167	131,127	2.0%	1.7%
Operating surplus	\$ 584,513	\$ 718,220	6.8%	9.6%

Revenues

The table below provides changes to the Organization's revenues by category.

			% of revenues	
	2020	2019	2020	2019
Consulting fees	\$ 8,220,846	\$ 7,155,667	95.2%	95.2%
Interest income	416,871	363,236	4.8%	4.8%
	\$ 8,637,717	\$ 7,518,903	100.0%	100.0%

Comparison to Budget

The table below provides details of the Organization's actual and budgeted revenues for 2019/20.

	2020 Actual	2020 Budget	Change	%
Consulting fees	\$ 8,220,846	\$ 8,124,680	\$ 96,166	1.2%
Interest income	416,871	388,000	28,871	7.4%
	\$ 8,637,717	\$ 8,512,680	\$ 125,037	1.5%

For the year ended March 31, 2020, total revenues were 1.5 percent above budget.

Partnerships BC's budget was developed based on the number of projects in the procurement, business case, implementation, and advisory phases, and the number of staff required to deliver on those projects. Partnerships BC budgeted for 36.9 Full Time Equivalent (FTE) staff in 2019/20 but averaged 35.2 FTEs during the year. As at March 31, 2020, the organization had 38 FTEs compared to 33.2 FTEs as at March 31, 2019. The overall increase was due to the requirement to deliver on a significant number of projects for the Province of BC.

The increase in interest income was due to the change in investment policy where the Organization invested the excess cash with the Ministry of Finance Central Deposit Program (the 'Program'). The Program pays an interest equal to the prime lending rate of the principal banker to the Province of BC minus 1.5 percent.

Expenses

The table below provides details of the Organization's operating expenses for 2019/20 and 2018/19.

	2020	2019	Change	%
Human resources	\$ 6,294,927	\$ 5,273,179	\$ 1,021,748	19.4%
Administration	275,934	251,407	24,527	9.8%
Building occupancy	492,986	486,901	6,085	1.2%
Information systems	259,896	230,843	29,053	12.6%
Professional fees	337,003	288,404	48,599	16.9%
Travel	223,291	138,822	84,469	60.8%
Amortization	169,167	131,127	38,040	29.0%
Total General and Administrative Expenses	1,758,277	1,527,504	230,773	15.1%
Total Operating Expenses	\$ 8,053,204	\$ 6,800,683	\$ 1,252,521	18.4%
% of expenses to revenues	93.2%	90.4%		
% of general and administration expenses to revenues	20.4%	20.3%		

For the year ended March 31, 2020, there was an increase in operating expenses of \$1,252,521 or 18.4 percent compared to last year. The increase was primarily attributable to the following:

- Human resources,
- Information systems,
- Professional fees, and
- Travel.

The increase in human resources expenses was due to the increase in the number of professional staff required to support the significant number of projects. In addition, there was an increase in vacation liability expense as a result of staff cancelling their spring break vacations because of travel restrictions implemented as a result of COVID-19.

The increase in information systems expenses was primarily related to a one-time initiative that upgraded the Organization's accounting software. The upgrade commenced in fiscal 2018/19 and concluded in fiscal 2019/20.

The increase in professional fees expenses was due to the hiring of a contractor to support the Organization with a recommendation from the Crown review and the undertaking of three

assessment surveys – Board of Directors, employee engagement, and client and stakeholder engagement.

The increase in travel costs was connected to staff attendance at conferences to support staff professional development and travel to develop a better understanding of the Alliance Contracting procurement model.

The increase in administrative expenses reflects the increase in the number of staff during the year.

Overall, for the year ended March 31, 2020, total expenses as a percentage of revenues were 93.2 percent compared to 90.4 percent for the year ended March 31, 2019. Total general and administrative expenses, as a percentage of revenues, were 20.4 percent compared to 20.3 percent for the year ended March 31, 2019. As reported above, the increase was largely attributable to the increase in human resources expenses.

Comparison to Budget

The table below provides details of the Organization's actual and budgeted expenses for 2019/20.

	2020 Actual	2020 Budget	Change	%
Human resources	\$ 6,294,927	\$ 6,453,677	\$ (158,750)	-2.5%
Administration	275,934	282,201	(6,267)	-2.2%
Building occupancy	492,986	482,214	10,772	2.2%
Information systems	259,896	373,600	(113,704)	-30.4%
Professional fees	337,003	327,000	10,003	3.1%
Travel	223,291	164,000	59,291	36.2%
Amortization	169,167	130,153	39,014	30.0%
Total General and Administrative Expenses	1,758,277	1,759,168	(891)	-0.1%
Total Operating Expenses	\$ 8,053,204	\$ 8,212,845	\$ (159,641)	-1.9%
% of expenses to revenues	93.2%	96.5%		
% of general and administrative expenses to revenues	20.4%	20.7%		

For the year ended March 31, 2020, human resources expenses were \$6,294,927 compared to budget of \$6,453,677, resulting in a positive variance of \$158,750 or 2.5 percent. The Organization had budgeted for 36.9 FTEs but averaged 35.2 FTEs during the year. Going forward, the Organization has budgeted for 40.4 FTEs with a corresponding increase to human resources expenses to reflect the increase in project resource requirements to deliver on the significant number of projects in procurement, business case, and post-implementation phase. Given the challenging situation associated with COVID-19 with the majority of staff working remotely, the Organization has postponed all recruiting initiatives.

For the year ended March 31, 2020, total general and administrative expenses were \$1,758,277 compared to budget of \$1,759,168, resulting in a positive variance of \$891 or 0.1 percent.

Administration expenses were under budget by \$6,267 or 2.2 percent as this expense is directly related to positive variance within human resources expenses.

Information technology expenses were under budget by \$113,704 because the Organization did not renew its existing Microsoft licenses during the year. Instead, the Organization will transition all users to Office 365 in fiscal 2020/21. This strategy should reduce the number of servers required going forward, which should also reduce the Organization's information technology expenses.

Travel expenses were over budget by \$59,291 primarily due to increased number of attendees for some out-of-town conferences and travel to develop a better understanding of the Alliance Contracting procurement model. This was necessary because of the current market capacity challenges experienced on some healthcare and accommodation projects.

Total expenses for the year ended March 31, 2020 as a percentage of revenues were 93.2 percent which was lower than budget of 96.5 percent. General and administrative expenses for the year ended March 31, 2020, as a percentage of revenues, were 20.4 percent which was lower than budget of 20.7 percent.

Statement of Financial Position

The table below presents a comparison of selected financial position items of the current fiscal year with those of the previous fiscal year.

	2020	2019	Change	%
Financial Assets				
Cash	\$16,914,167	\$17,341,977	\$ (427,810)	-2.5%
Accounts receivable	2,527,920	1,557,845	970,075	62.3%
Total Financial Assets	19,442,087	18,899,822	542,265	2.9%
Liabilities				
Accounts payable and accrued liabilities	1,084,450	1,114,043	(29,593)	-2.7%
Deferred lease inducement	166,483	208,989	(42,506)	-20.3%
Total Liabilities	1,250,933	1,323,032	(72,099)	-5.4%
Net Financial Assets	\$18,191,154	\$17,576,790	\$ 614,364	3.5%
Non-Financial Assets	\$ 570,880	\$ 600,731	\$ (29,851)	-5.0%
Accumulated Surplus	\$18,762,034	\$18,177,521	\$ 584,513	3.2%

Cash decreased by \$427,810 from \$17,341,977 as at March 31, 2019 to \$16,914,167 as at March 31, 2020. The decrease in cash was due to the delays in ministry clients' processing our invoices for payment before year-end because all employees were required to work remotely due to COVID-19 and certain processes that would have normally been completed at year-end were delayed.

The Organization's cash is invested with the Ministry of Finance Central Deposit Program (the "Program"). The interest rate from this Program is the prime lending rate from the principal banker of the Province of BC minus 1.5 percent. Going forward, the amount of interest income is expected to significantly decrease given the recent decreases in the prime rate to support the economic challenges brought on by COVID-19.

Accounts receivable, which consists of consulting fees, project recoverable expenses and accruals at year-end, increased by \$970,075 from \$1,557,845 as at March 31, 2019 to \$2,527,920 as at March 31, 2020. Current accounts receivable represented approximately 70 percent of the balance at year-end. All the amounts receivable are receivables from the Province of BC and related agencies. As a result, the Organization did not provide for any doubtful accounts for the years ended March 31, 2020 and 2019.

Non-financial assets consisting of prepaid expenses and tangible capital assets decreased by \$29,851.

Liabilities and accumulated surplus

Accounts payable and accrued liabilities decreased by \$29,593 from \$1,114,043 as at March 31, 2019 to \$1,084,450 as at March 31, 2020.

The deferred lease inducement of \$166,483 consists of the unamortized reimbursement of leasehold improvement costs from the lessor. The total inducement of \$251,496 was deferred and recognized as a reduction of building occupancy expense on a straight-line basis over the term of the lease.

The increase in accumulated surplus was attributable to an annual operating surplus of \$584,513.

Statement of Cash Flows

Liquidity and capital resources

The table below presents a comparison of the Organization's working capital position for the current fiscal year with that of the previous fiscal year.

	2020	2019	Change
Cash	\$16,914,167	\$17,341,977	\$ (427,810)
Accounts receivable	2,527,920	1,557,845	970,075
Other current assets	60,352	78,378	(18,026)
	19,502,439	18,978,200	524,239
Accounts payable and accrued liabilities	1,084,450	1,114,043	(29,593)
Net working capital	\$18,417,989	\$17,864,157	\$ 553,832

As at March 31, 2020, the Organization's principal sources of liquidity included cash of \$16,914,167 and accounts receivable of \$2,527,920. The Organization has \$1,084,450 in accounts payable and accrued liabilities due next year. As a result, the Organization's net working capital improved by \$553,832 to \$18,417,989 as at March 31, 2020.

Commitments and Contractual Obligations

The Organization is committed to payments under operating leases for premises through fiscal 2023/24 as follows:

	Amount
2021	513,058
2022	528,047
2023	536,630
2024	<u>398,467</u>
	<u>\$ 1,976,202</u>

The Organization's Vancouver and Victoria office leases are scheduled to expire on February 28, 2024 and August 31, 2023 respectively.

During the year, Partnerships BC did not enter into any contractual obligations or off-balance sheet arrangements. In addition, the Organization did not have any pending litigation or contingencies as at March 31, 2020.

Selected Annual Information

The following table presents selected financial information for the years ended March 31, 2020, 2019, 2018, 2017, and 2016.

	2020	2019	2018	2017	2016
Total revenues	\$ 8,637,717	\$ 7,518,903	\$ 7,248,590	\$ 7,565,624	\$ 6,639,559
Total operating expenses	\$ 8,053,204	\$ 6,800,683	\$ 6,908,176	\$ 6,197,153	\$ 6,098,751
Annual operating surplus	\$ 584,513	\$ 718,220	\$ 340,414	\$ 1,068,471	\$ 540,808
Total current assets	\$19,502,439	\$18,978,200	\$18,094,641	\$17,990,110	\$16,596,719
Total assets	\$20,012,967	\$19,500,553	\$18,613,482	\$18,116,357	\$16,741,492
Total current liabilities	\$ 1,084,450	\$ 1,114,043	\$ 894,237	\$ 988,220	\$ 684,106
Total liabilities	\$ 1,250,933	\$ 1,323,032	\$ 1,145,733	\$ 988,220	\$ 684,106



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Independent Auditor's Report

To the Board of Directors and Shareholder of Partnerships British Columbia Inc.

Opinion

We have audited the financial statements of Partnerships British Columbia Inc. (the "Company") which comprise the Statement of Financial Position as at March 31, 2020 and the Statements of Operations, Remeasurement Gains and Losses, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Company's financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020 and its results of operations, changes in net financial assets, remeasurement gains and losses, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally-accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally-accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally-accepted auditing standards we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 27, 2020

Partnerships British Columbia Inc.
Statement of Financial Position
As at March 31, 2020 and 2019

	March 31, 2020	March 31, 2019
Financial assets		
Cash and cash equivalents	\$ 16,914,167	\$ 17,341,977
Accounts receivable (Note 3)	2,527,920	1,557,845
Total Financial Assets	<u>19,442,087</u>	<u>18,899,822</u>
Liabilities		
Accounts payable & accrued liabilities (Note 4)	1,084,450	1,114,043
Deferred lease inducement	166,483	208,989
Total Liabilities	<u>1,250,933</u>	<u>1,323,032</u>
Net financial assets	<u>18,191,154</u>	<u>17,576,790</u>
Non-financial assets		
Prepaid expenses	60,352	78,378
Tangible capital assets (Note 6)	510,528	522,353
Total Non-financial Assets	<u>570,880</u>	<u>600,731</u>
Accumulated surplus	<u>\$18,762,034</u>	<u>\$ 18,177,521</u>
Accumulated surplus is comprised of:		
Accumulated surplus	\$ 18,762,032	\$ 18,177,519
Share capital (Note 7)	2	2
	<u>\$18,762,034</u>	<u>\$ 18,177,521</u>

The accompanying notes are an integral part of these financial statements.

APPROVED ON BEHALF OF THE BOARD



Dana Hayden



Peter Kappel

The accompanying notes are an integral part of these financial statements.

Partnerships British Columbia Inc.
Statement of Operations
For the Years Ended March 31, 2020 and 2019

	Budget (Note 11)	March 31, 2020	March 31, 2019
Revenue			
Consulting fees	\$ 8,124,680	\$ 8,220,846	\$ 7,155,667
Interest income	388,000	416,871	363,236
Total Revenues	8,512,680	8,637,717	7,518,903
Expenses			
Administration	282,201	275,934	251,407
Amortization	130,153	169,167	131,127
Building occupancy	482,214	492,986	486,901
Human resources	6,453,677	6,294,927	5,273,179
Information systems	373,600	259,896	230,843
Professional services	327,000	337,003	288,404
Travel	164,000	223,291	138,822
Total Expenses	8,212,845	8,053,204	6,800,683
Reimbursable costs			
Project recoveries	2,650,000	2,274,632	2,090,479
Less: Project expenses	(2,650,000)	(2,274,632)	(2,090,479)
Net reimbursable costs	-	-	-
Annual surplus	299,835	584,513	718,220
Accumulated surplus, beginning of year	18,177,519	18,177,519	17,459,299
Accumulated surplus, end of year	\$ 18,477,354	\$ 18,762,032	\$ 18,177,519

Partnerships British Columbia Inc.
Statement of Remeasurement Gains and Losses
For the Years Ended March 31, 2020 and 2019

	March 31, 2020	March 31, 2019
Accumulated remeasurement gains, beginning of year	\$ -	\$ 8,448
Plus: Unrealized gains attributable to: Portfolio investments	-	30,894
Less: Amounts reclassified to the Statement of Operations: Portfolio investments	-	(39,342)
Net change in remeasurement gains	-	(8,448)
Accumulated remeasurement gains, end of year	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Partnerships British Columbia Inc.
Statement of Changes in Net Financial Assets
For the Years Ended March 31, 2020 and 2019

	Budget	March 31,	March 31,
	(Note 11)	2020	2019
Annual surplus	\$ 299,835	\$ 584,513	\$ 718,220
Acquisition of tangible capital assets	(67,000)	(157,342)	(134,639)
Amortization of tangible capital assets	130,153	169,167	131,127
	<u>63,153</u>	<u>11,825</u>	<u>(3,512)</u>
Additions to prepaid expenses	-	(105,138)	(106,981)
Use of prepaid expenses	(21,622)	123,164	116,145
	<u>(21,622)</u>	<u>18,026</u>	<u>9,164</u>
Net change in remeasurement gains	-	-	(8,448)
Increase in net financial assets for the year	341,366	614,364	715,424
Net financial assets, beginning of year	17,576,790	17,576,790	16,861,366
Net financial assets, end of year	\$ 17,918,156	\$ 18,191,154	\$ 17,576,790

The accompanying notes are an integral part of these financial statements.

Partnerships British Columbia Inc.
Statement of Cash Flows

	March 31, 2020	March 31, 2019
Operating transactions		
Annual surplus	\$ 584,513	\$ 718,220
Non-cash item included in surplus:		
Amortization of tangible capital assets	169,167	131,127
Amortization of deferred lease inducement	(42,506)	(42,507)
	<u>711,174</u>	<u>806,840</u>
Changes in operating accounts		
Accounts receivable	(970,075)	132,927
Prepaid expenses	18,026	9,164
Accounts payable and accrued liabilities	(29,593)	219,806
	<u>(981,642)</u>	<u>361,897</u>
Total operating transactions	<u>(270,468)</u>	<u>1,168,737</u>
Capital transactions		
Purchase of tangible capital assets	(157,342)	(134,639)
	<u>(157,342)</u>	<u>(134,639)</u>
Investing transactions		
Decrease in portfolio investments	-	4,342,073
	<u>-</u>	<u>4,342,073</u>
Net increase (decrease) in cash for the year	(427,810)	5,376,171
Cash and cash equivalents, beginning of year	<u>17,341,977</u>	<u>11,965,806</u>
Cash and cash equivalents, end of year	<u>\$ 16,914,167</u>	<u>\$ 17,341,977</u>

For the Years Ended March 31, 2020 and 2019

The accompanying notes are an integral part of these financial statements.

1. Nature of Operations

Partnerships British Columbia Inc. (“Partnerships BC” or the “Organization”) is a company owned by the Province of British Columbia (the “Province”) and is governed by a Board of Directors reporting to its sole Shareholder; the Minister of Finance. The Organization was incorporated under the British Columbia Business Corporations Act in May 2002. It has two issued shares, both are held by the Minister of Finance.

The Organization’s vision is to improve people’s lives and communities through infrastructure with a mandate to work with owners to deliver complex public infrastructure in an evolving world. Partnerships BC provides a variety of consulting services to public sector agencies wishing to explore innovative options for building and managing public infrastructure like highways, bridges, hospitals, public transit and accommodations facilities.

The Organization’s core business is to:

- Provide specialized services in the procurement of major public projects, ranging from advice to business cases, procurement management, and implementation.
- Provide advice on partnership project management, deal structure, risk management, procurement, and the selection and engagement of consultants.
- Foster a positive business and policy environment for successful projects and related activities by continually expanding British Columbia’s and other jurisdictions’ base of knowledge, understanding and expertise in these areas.
- Manage an efficient and leading edge organization that meets or exceeds performance expectations.

The Organization’s clients are public sector agencies, including ministries, Crown corporations, local and statutory authorities in British Columbia and other Provinces, and local governments. To serve these clients effectively, Partnerships BC is also working to build strong relationships with private sector partners such as businesses, investors and the financial services sector.

Partnerships BC is exempt from income taxes under the *Income Tax Act*.

2. Summary of Significant Accounting Policies

a. Basis of accounting

These financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards (“PSAS”) using guidelines developed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

b. Cash and cash equivalents

Cash equivalents include deposits held in the Ministry of Finance’s Central Deposit Program which are recorded at cost plus accrued interest. These deposits earn interest at the prime lending rate of the principal banker to the Province of BC minus 1.5%.

c. Employee future benefits

The employees of Partnerships BC belong to the Public Service Pension Plan (the “Plan”), which is a multi-employer joint trustee plan. This Plan is a defined benefit plan, providing a pension on retirement based on the member’s age at retirement, length of service, and highest earnings averaged over five years. Inflation adjustments and the provision of post-retirement health benefits are contingent upon available funding.

The joint Board of Trustees of the Plan determines the required Plan contributions annually.

The contributions made by Partnerships BC to the Plan are recorded as an expense for the year.

d. Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the tangible capital asset.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

2. Summary of Significant Accounting Policies

d. Tangible capital assets (continued)

- Computer software 2 years
- Computer hardware 3 years
- Furniture and equipment 5 years
- Leasehold improvements Lease term

Tangible capital assets are written down when conditions indicate that they no longer contribute to Partnerships BC's ability to provide goods and services.

e. Prepaid expenses

Prepaid expenses include annual software license renewals, insurance premiums, and future travel costs, and are charged to expense over the periods expected to benefit from it.

f. Deferred lease inducement

Deferred lease inducement consists of reimbursement of leasehold improvement costs from the lessor. This inducement is deferred and recognized as a reduction to building occupancy expense on a straight-line basis over the term of the lease.

g. Revenue recognition

Revenues are recognized on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues. Revenues are recognized as the consulting services are provided. Project recoveries are recognized when services are performed or when costs are incurred.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

h. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Reimbursable project expenses are expensed when services are performed or when costs are incurred.

2. Summary of Significant Accounting Policies (continued)

i. Measurement uncertainty

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets, estimated employee benefits, and the impairment of tangible capital assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

j. Related party transactions

A related party disclosure is presented when the following criteria are met:

- A related party exists,
- A transactions occurs between related parties,
- The transaction occurred at a value different from that which would have been arrived at if the parties were unrelated, and
- The transaction has a material financial effect.

Partnerships BC is related through common ownership to the Province of British Columbia's government ministries, agencies, and Crown corporations, and these organizations represent the majority of Partnerships BC's clients. All transactions with government entities take place on regular commercial terms.

3. Accounts Receivable

	March 31, 2020	March 31, 2019
Revenues receivable	\$ 2,525,574	\$ 1,553,500
Accrued interest	2,346	4,345
	\$ 2,527,920	\$ 1,557,845

There was no provision for doubtful accounts required as at March 31, 2020 and 2019.

The accounts receivable are amounts receivable from the provincial government and other related entities.

4. Accounts Payable and Accrued Liabilities

	March 31, 2020	March 31, 2019
Accounts payables and accrued liabilities	\$ 641,379	\$ 586,085
Salaries and benefits	137,065	277,633
Accrued vacation	306,006	250,325
	\$ 1,084,450	\$ 1,114,043

5. Employee Future Benefits

Partnerships BC and its employees contribute to the Plan in accordance with the Public Sector Pension Plan Act. BC Pension Corporation administers the Plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. As such, no pension liability for this type of plan is included in the financial statements.

The Plan provides defined pension benefits to employees based on their length of service and salary. The maximum contribution rate for eligible employees was 8.35% (2019: 8.35%). Partnerships BC's contributions exceed the employee contributions to the plan. During the year ended March 31, 2020, Partnerships BC contributed \$470,294 (2019: \$408,507) to the Plan. These contributions are the Organization's pension expense which is included under human resources expense.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The latest valuation as at March 31, 2017 showed that the Plan had a surplus of \$1.9 billion and is 108 percent funded as it had assets of \$24.7 billion and liabilities of \$22.8 billion. The next valuation will be as at March 31, 2020 with results available by the end of 2020.

6. Tangible Capital Assets

	Computer software	Computer hardware	Furniture and equipment	Leasehold improvements	2020 Total
Cost					
Opening Balance	\$ 87,177	\$ 605,629	\$ 169,639	\$ 880,684	\$ 1,743,129
Additions	-	37,148	107,444	12,750	157,342
Dispositions	-	(119,092)	-	-	(119,092)
Closing Balance	87,177	523,685	277,083	893,434	1,781,379
Accumulated Amortization					
Opening Balance	87,177	494,160	147,233	492,206	1,220,776
Amortization	-	67,161	20,357	81,649	169,167
Dispositions	-	(119,092)	-	-	(119,092)
Closing Balance	87,177	442,229	167,590	573,855	1,270,851
Net book value	\$ -	\$ 81,456	\$ 109,493	\$ 319,579	\$ 510,528

	Computer software	Computer hardware	Furniture and equipment	Leasehold improvements	2019 Total
Cost					
Opening Balance	\$ 87,177	\$ 552,268	\$ 166,671	\$ 802,374	\$ 1,608,490
Additions	-	53,361	2,968	78,310	134,639
Closing Balance	87,177	605,629	169,639	880,684	1,743,129
Accumulated Amortization					
Opening Balance	87,177	435,024	138,276	429,172	1,089,649
Amortization	-	59,136	8,957	63,034	131,127
Closing Balance	87,177	494,160	147,233	492,206	1,220,776
Net book value	\$ -	\$ 111,469	\$ 22,406	\$ 388,478	\$ 522,353

7. Share Capital

The authorized share capital is 5,000,000 common shares at no par value. There are two issued shares held by the Minister of Finance.

8. Expenses by Object

The entity is a sole purpose organization and therefore does not report by function and does not provide segmented information.

9. Commitments

The Organization is committed to payments under operating leases for premises through 2023/24 as follows:

Year	Amount
2021	\$ 513,058
2022	528,047
2023	536,630
2024	398,467
	\$ 1,976,202

The Organization's Vancouver and Victoria office leases are scheduled to expire on February 28, 2024 and August 31, 2023 respectively.

10. Risk Management

a. Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Organization would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of accounts receivable, and accounts payable and accrued liabilities approximate their carrying values given their short-term maturities.

b. Financial management risk objectives and policies

In the normal course of business, the Organization is exposed to financial risks that have the potential to negatively impact its financial performance. These risks may include credit risk, liquidity risk, interest rate risk, and other price risk. The Organization's exposure to market and fair value risks have been extinguished in the current year by moving its investments to the Ministry of Finance's Central Deposit Program, which has an equivalent risk profile to deposits at commercial banks and does not fluctuate in value based on market factors. It therefore does not expose

10. Risk Management (continued)

b. Financial management risk objectives and policies (continued)

the Organization to any market or value risk. There have been no other changes to the risks the Organization is exposed to from the prior year.

c. General objectives, policies and processes

The Audit and Risk Management Committee has overall responsibility for the determination of the Organization's risk management objectives and policies.

The Audit and Risk Management Committee has delegated the authority to ensure effective implementation of the objectives and policies of the Organization to the Chief Executive Officer (CEO) and Senior Management Team. The Audit and Risk Management Committee and Board of Directors receives quarterly reporting from the CEO and Senior Management to ensure all processes and policies put in place are effectively meeting the objectives of the Organization.

There have been no changes in the objectives, policies and processes for managing risk from the prior year.

d. Credit risk

Credit risk is the risk that the Organization's counterparties will fail to meet their financial obligations to the Organization, causing a financial loss.

Accounts receivable arise primarily as a result of consulting work to governments, ministries, agencies and Crown corporations, therefore, collection risk is low. The Organization does not consider its exposure to credit risk to be material.

e. Liquidity risk

Liquidity risk is the risk that the Organization may be unable to generate or obtain sufficient cash in a timely and cost-effective manner to meet its commitments as they come due.

10. Risk Management (continued)

e. Liquidity risk (continued)

The Organization has in place a planning, budgeting and forecasting process to help determine the funds required to support the Organization's normal operating requirements. The Organization's annual Service Plan and budget are approved by the Board of Directors. The Organization also provides a quarterly forecast to the Audit and Risk Management Committee.

11. Budgeted Figures

Budgeted figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Directors on January 17, 2019. These budgeted figures were included in the Organization's 2019/20 – 2021/22 Service Plan.

12. Subsequent Event

On March 11, 2020 the World Health Organization declared the coronavirus, COVID-19, a pandemic.

Subsequent to March 31, 2020, the impact on the global and Canadian economies due to the COVID-19 pandemic has continued to increase. While the impacts of this pandemic on the Organization are not currently expected to be significant, and the disruption from this pandemic is thought to be temporary, the actual duration of disruption and the related financial impact on the Organization cannot be reasonably estimated at this time.

Working closely with the Organization's Shareholder and other related Crown corporations, the Organization is continuing to support its clients, although the timing of the projects and related consulting services, may be delayed due to the impact on clients and market activities.

The Organization has the financial resources to manage the short-term disruptions to its business operations.

Throughout the COVID-19 pandemic, the Organization is committed to supporting its clients' projects and ensuring the health and well-being of its employees.

Appendix A – Additional Information

Corporate Governance

Partnerships BC is governed by a Board of Directors that reports to its shareholder, the Minister of Finance. The Board's direction is implemented by management, who carry out the day-to-day operations of the Corporation under the supervision of the President and Chief Executive Officer. For more information on Corporate Governance, please refer to our web page at www.partnershipsbc.ca.

Contact Information

For further information on Partnerships BC, please visit our website at www.partnershipsbc.ca.

VANCOUVER

1220 – 800 West Pender Street Vancouver, BC V6C 1J8

Phone: (604) 806-4168

VICTORIA

300 - 707 Fort Street

Victoria, BC V8W 3G3

Phone: (250) 475-4668

Appendix B – Glossary of Terms

Business Case	Provides decision-makers sufficient information about a project to commit to implementation of the project. Expands on the contents of the concept plan, while focusing specifically on procurement options analysis and funding impact.
Concept Plan	Written before the business case, a concept plan provides a general overview of a project to obtain government direction and approval to move the planning process forward. Includes the need to address service demand pressures and a preliminary analysis of potential service delivery options.
Design-Bid-Build (DBB)	Under this model, the owner enters into separate contracts with the designer and contractor. This is a traditional project delivery method.
Design-Build (DB)	Under this model, the design-builder enters into a single contract with the owner and is responsible for both the design and construction of the project. Risk is transferred to the design-builder.
Design-Build-Finance (DBF)	Under this model, Project Co enters into a single contract with the owner and is responsible for the design, construction and financing of the project. Risk is transferred to Project Co.
Design-Build-Finance-Maintain (DBFM)	Under this model, the Project Co enters into a single contract with the owner and is responsible for the design, construction, financing of the project and maintenance of the asset following completion for a set amount of years (typically 30). Risk is transferred to Project Co.

Fairness Advisor Report

A Fairness Advisor is an independent third-party whose role is to observe and/or monitor the procurement process and to report as to the fairness of the procurement process observed. A clean report attests to the fairness of the procurement process, enhances the integrity of the public procurement process by providing comfort to the proponents that the process was credible and provided equal opportunity for all to compete.

Request for Proposals (RFP)

Invites eligible Proponents from the RFQ stage to prepare and submit Proposals to design and build and potentially finance and maintain (depending on the model) the project under a long-term project agreement.

Request for Qualifications (RFQ)

Invites interested parties to submit responses indicating their interest and qualifications for a project. Based on responses, a shortlist of up to three Proponents are invited to participate in the next stage of the Competitive Selection Process, the Request for Proposals stage.

Value for Money (VFM)

The risk-adjusted difference in present value dollar terms between the partnership and traditional delivery models costs. Not all benefits are captured in a value for money number. Examples of such benefits include early completion and delivery of associated services to the public or improved long-term service outcomes (e.g. better clinical outcomes in a hospital).



387580

January 14, 2020

Dana Hayden
Board Chair, Partnerships BC
PO Box 94 78 Stn Prov Gov't
Victoria, B.C. V8W 9W6

Dear Ms. Hayden,

I would like to extend appreciation on behalf of Premier Horgan and the Executive Council for your dedication, and that of your board members, in leading your organization and helping government deliver on our priorities to British Columbians.

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

Every public sector organization is accountable to the citizens of British Columbia. The expectations of B.C. citizens are identified through their elected representatives, the members of the Legislative Assembly.

This mandate letter, which I am sending in my capacity as Minister responsible for Partnerships BC, on behalf of the Executive Council, communicates those expectations for your agency. It sets out overarching government priorities that will inform your agency's policies and programs, as well as specific direction on priorities and expectations for the coming fiscal year.

Our goal is to build a strong, sustainable economy that works for everyone. We are committed to working with you and other Crown Agencies to provide quality, cost-effective services to British Columbia families and businesses. By adopting the Gender-Based Analysis Plus (GBA+) lens and Framework for Improving British Columbians' Standard of Living to policy development,

.../2

Ministry of Finance

Office of the Minister
and Deputy Premier

Mailing Address:
PO Box 9048 Stn Prov Govt
Victoria BC V8W 9J2
Telephone: 250 387-3751
Facsimile: 250 387-5594

Location:
501 Belleville Street
Parliament Buildings, Victoria
website:
www.gov.bc.ca/fin

we will ensure that equity is reflected in government budgets, policies and programs. You are encouraged to apply the GBA+ lens in your Crown Agency operations and programs. In the same vein, appointments to agencies, boards and commissions reflect government's direction to promote equity and leadership at senior levels in the public and private sectors, with a view to building strong public sector boards that reflect the diversity of British Columbia.

Two key priorities that will underpin lasting prosperity are advancing reconciliation with Indigenous Peoples and moving towards a low-carbon economy.

In November 2019, government passed the *Declaration on the Rights of Indigenous Peoples Act* which represents a crucial step towards true and lasting reconciliation. In keeping with the Calls to Action of the Truth and Reconciliation Commission, the Act was developed in collaboration with the First Nations Leadership Council to create a framework for reconciliation in B.C. All Crown Agencies are expected to incorporate the *Declaration on the Rights of Indigenous Peoples Act* and Calls to Action of the Truth and Reconciliation Commission within their specific mandate and context.

Announced in December 2018, the CleanBC plan puts our province on the path to a cleaner, better future – with a low-carbon economy that creates opportunities while protecting our clean air, land and water. As part of the new accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization plans to align operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk. Please be prepared to work with government to report out on these plans and activities.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2020/21. This will include online training modules and in-person conferences, as government works to support strong public sector boards that reflect the diversity of British Columbia.

As the Minister responsible for Partnerships BC, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2020/21 Service Plan:

- Continue to provide support for government priorities as they relate to capital projects including, but not limited to, affordable housing, CleanBC, the *Wood First Act* and increasing childcare spaces.

.../3

- Review and update the agency's service plan goals, objectives, strategies, performance measures and financial forecasts to ensure alignment with the recommendations from the review of Partnership BC's mandate and procurement methodology.
- Continue to enhance the understanding of project owners in government and other stakeholders of best practices in capital planning and procurement, help improve communication among these parties and better understand stakeholders' needs.

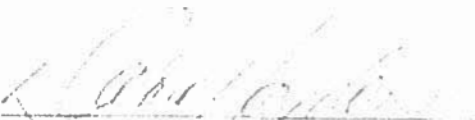
Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2020.

I look forward to continuing to work with you and your Board colleagues to build a better B.C.

Sincerely,



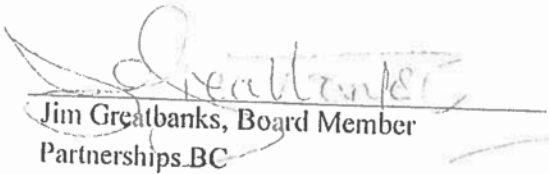
Carole James
Minister and Deputy Premier



Dana Hayden, Chair
Partnerships BC



Peter Kappel, Board Member
Partnerships BC



Jim Greatbanks, Board Member
Partnerships BC



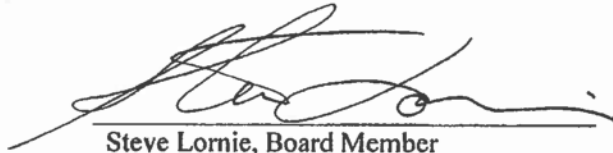
Diane Delves, Board Member
Partnerships BC



Julian Craig Paine, Board Member
Partnerships BC



Roberta Joyce Stewart, Board Member
Partnerships BC



Steve Lornie, Board Member
Partnerships BC

cc: Honourable John Horgan
Premier

Don Wright
Deputy Minister to the Premier and Cabinet Secretary

Lori Wanamaker
Deputy Minister
Ministry of Finance

Heather Wood
Associate Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Mark Liedemann
Chief Executive Officer and President
Partnerships BC

BRIEFING NOTE
CROWN AGENCIES

Name: Real Estate Council of BC (RECBC)

Legislative Authority: *Real Estate Services Act* (RESA)

Mandate:

- RECBC has a mandate to protect the public interest by regulating licensed real estate professionals and enforcing RESA. This includes:
 - Licensing individuals and brokerages in three areas: real estate trading, strata management, and rental property management;
 - Determining and administering the education required to be licensed as a real estate professional; and,
 - Investigating complaints against real estate professionals and imposing disciplinary sanctions under RESA.
- RECBC is accountable to the Minister of Finance and overseen by the Superintendent of Real Estate (OSRE).

Current Appointees:

Chair: Marian (Elain) Duvall, appointed until October 31, 2021

Vice Chair: Robert Gialloreto, appointed until October 31, 2022

Members (majority appointed until Oct 31, 2021):

Sandra Lynn Heath
Lenard Walter Hrycan
Linda Leslie Allen
Neal J. Nicholson
Catherine Anne Ludgate
Lance Michael Walker

Karen Ameyaw
Yasin Sadru Amlani
Blair Marion Chisholm
Magdaline Ching Yat Chan
Ruth Joanne Hanson
Sukhmander S. Sidhu (appointed until Oct 31, 2022)

Appointments required:

- No appointments required at this time.

Issue(s):

- On November 12, 2019, the government announced its intent to amend legislation and enable the establishment of an integrated real estate and financial services sector regulator within the BC Financial Services Authority (BCFSA).
- This would mean the integration of RECBC (and OSRE) within the BCFSA and would impact HR, Finance, I&IT, etc.
- Work has been underway to amend the legislation and integrate RECBC and OSRE into the BCFSA; please see the Information Note – Single Regulator for Real Estate. Three 30 day issue notes related to the creation of the single regulator are also included. They deal with board appointments to related entities, organizational structure and the total compensation plan.
- Advice/Recommendations

Key Contact:

- Erin Seeley
- Chief Executive Officer
- Personal Information

Real Estate Council of BC (RECBC)

Ministry of Finance

Governing Legislation

Governing legislation:

- *Real Estate Services Act*
- *Real Estate Development Marketing Act*
- *Strata Property Act*
- *Residential Tenancy Act*

General governing legislation for all crown corporations:

- *Budget Transparency and Accountability Act*
- *Financial Administration Act*
- *Financial Information Act*
- *Freedom of Information and Protection of Privacy Act*
- *Information Management Act*
- *Public Sector Employers Act*

Mandate

- RECBC is a Crown Agency with a mandate to protect the public interest by regulating licensed real estate professionals and enforcing the Real Estate Services Act (RESA).
- RECBC licenses individuals and brokerages in three areas: real estate trading, strata management, and rental property management.
- RECBC investigates complaints against real estate professionals and imposes disciplinary sanctions under RESA, determines and administers the education required to be licensed as a real estate professional, and enforces entry qualifications.

Biographies

Elain Duvall - Chair of Council

Elain Duvall brought her passion for improving communities to her career as a developer of non-profit and co-operative housing. She worked at Columbia Housing Advisory Association for 10 years.

After working in the public sector in the Housing Centre at the City of Vancouver, Elain became a development manager for Progressive Homes Ltd., developing and building non-profit housing. She co-authored a report for the BC Government recommending solutions to the affordable housing problems of the time. Elain has extensive governance experience, including 12 years on the Vancity Credit Union Board, three as Chair of the Board. She served as a Governor of the Real Estate Foundation for nine years as well as on other corporate boards. She continues her commitment to community by serving on several non-profit boards. She is a graduate of the Institute of Corporate Directors.

Real Estate Council of BC

Robert Gialloreto - Vice Chair of Council

Rob Gialloreto is President and CEO of Consumer Protection BC, which promotes a fair marketplace for BC consumers and businesses. Prior to this role, he was the President and CEO of Tourism Victoria.

Mr. Gialloreto has experience on a number of boards, including serving as a director on the Tourism Industry Association of Canada board of directors. He specializes in organizational leadership, business development, strategic media relations, marketing research, coaching/mentoring, financial management and public speaking.

Linda Allen

Linda Allen, a Registered Professional Planner, is a co-founder and Principal of CitySpaces' Consulting, a consultancy that specializes in land use planning, development consulting, project management, and stakeholder and public engagement.

Before relocating to BC 30 years ago, Linda was a senior planner and project manager with the City of Ottawa. Previously, she was a policy researcher in the Executive Offices of Alberta Municipal Affairs.

Linda has been active in professional and community organizations, taking on leadership positions within these groups.

Karen Ameyaw

Karen Ameyaw is currently Acting Senior Manager in Compliance (Legal Services) at WorkSafeBC. She has also been an associate lawyer at private law firms and an instructor of criminology at the Nicola Valley Institute of Technology.

Karen is active in her community and served as the Vice Chair of the City of Vancouver Renters Advisory Committee. She is also involved with various organizations related to law, including the Canadian Association of Black Lawyers.

She holds a law degree from the University of Victoria and an undergraduate degree in Criminology.

Yasin Amlani

Yasin Amlani is a corporate and real estate lawyer with over 18 years of experience. After serving as managing partner at a New Westminster law firm, Yasin moved on to his own law practice. He now practices corporate law part-time, while also advising as a business and legal consultant.

Previously, Yasin worked as regional franchise coordinator for a national Canadian franchise as well as in-house consultant to a Fortune 500 financial services company. Yasin has Bachelor of Science and Law degrees from the University of British Columbia and a Master of Business Administration degree from the University of Massachusetts-Amherst. He has held senior positions on volunteer boards, including as Honorary Secretary (Vice President) of the Ismaili Council for BC, and as a member on the Conciliation and Arbitration Board for BC. He currently serves as the Honorary Secretary (Vice Chair) of the Aga Khan Social Welfare Board for Canada.

Real Estate Council of BC

Blaire Chisholm

Blaire Chisholm is the Vice President of Pooni Group, an urban planning and communications firm. Blaire manages the Vancouver office and leads the planning team.

Prior to joining Pooni Group in 2007, Blaire gained 10 years of experience with non-governmental organizations, research and policy consultancies, and architectural and planning firms across Canada. Blaire holds a Master's degree in Urban Planning from McGill University and a Bachelor of Science in Environmental & Conservation Sciences from the University of Alberta.

She volunteers for a number of non-governmental organizations, including the Urban Development Institute, Arts Umbrella and the Coquitlam River Watershed Roundtable. She is a Registered Professional Planner with the Canadian Institute of Planners.

Magdaline Chan

Maggie Chan made her home here in Vancouver from Hong Kong in 1969. She has spent the majority of her working career in banking, legal work and real estate sales. Since 2015, she has been volunteering at the Lions Gate Hospital Foundation on the Asian Advisory Committee and has also been a gold sponsor at the Hospital Foundation.

Maggie speaks three Chinese dialects and is fluent in the Chinese written language. Subjects of special interest to Maggie are affordable housing and refugee immigrants. She has completed the Immigration Practitioner Certificate program at the University of British Columbia.

Ruth Hanson

Ruth Hanson is a managing broker for Sotheby's International Realty Canada, overseeing the activities and sales of the agents and administration of four brokerage offices (North Vancouver, West Vancouver, Lions Bay and Whistler).

Ruth has been a licensed member of the Real Estate Board of Greater Vancouver since 1998. Her background includes providing training, facilitation, compliance and negotiations as well as management oversight of the establishment of a law practice.

She has been involved in her community as a director or executive on numerous committees including Blueridge Neighbourhood Association and North Shore Restorative Justice.

Sandra Heath

Sandra Heath is semi-retired as the President of HTD Inc., an international training and human resources consulting firm.

Ms. Heath has held a variety of senior management positions in both the private and public sectors. She chaired the Providence Health Care Board and served on the board of the Vancouver Coastal Health Authority for seven years. Most recently she chaired the Board of Directors of the Portland Hotel Society. She has also served on the boards of community arts organizations.

Real Estate Council of BC

Len Hrycan

Len Hrycan retired from the City of Kamloops as the Director of Community and Corporate Affairs where he oversaw fire & bylaw services, RCMP operations, legislative services and council governance. During Mr. Hrycan's 35-year career in the civil service, he also managed engineering, planning, development and real estate functions.

As a key member of the senior administration, he was involved in the transformation of City operations, leading to the National Quality Institute's Canada Award of Excellence (gold level). He is a graduate of Cariboo College.

Catherine Ludgate

Catherine Ludgate is a Senior Manager of community investment at Vancity Credit Union, supporting partnerships dedicated to social justice and financial inclusion, including the Living Wage for Families Campaign and the BC Poverty Reduction Coalition.

She holds a Master's degree in the management of co-ops and credit unions and serves on the Federal Advisory Committee on Poverty and the BC Poverty Advisory Forum, as well as the City of Vancouver's Poverty Advisory Action Group. She is a sessional instructor at BCIT in the sustainable business leadership program.

Neal Nicholson

Neal Nicholson spent nearly 50 years as a Chartered Accountant, and continues to serve his clients as a Consulting Accountant. He also serves as the treasurer of several organizations including the Coquitlam Heritage Society, the Evergreen Cultural Centre, the Rivershed Society of BC and the BC Entertainment Hall of Fame.

Mr. Nicholson has previously served as Chair of the Douglas College Board, President of the Advanced Education Council of BC and as a Community Member on the Association of Canadian Community College Board for the BC and Yukon Region. He is a former Coquitlam City Council member.

Sukhmander Sidhu

Sukh Sidhu is a real estate agent with RE/MAX Little Oak Realty. Previously, Mr. Sidhu was a real estate agent with Block Brothers Realty.

Active in his community, Mr. Sidhu serves as a Director with the Fraser Valley Real Estate Board, a board on which he served as president from 2011-12. He is also a past President of the Indo-Canadian Business Association in Abbotsford.

Mr. Sidhu continues to serve on the Abbotsford Police Board. He holds a Bachelor of Arts in Political Science from Guru Nanak College and a Master of Arts in Political Science from Khalsa College in India.

Michael Walker

Mike Walker advises clients in the not-for-profit sector on strategic issues, corporate governance and commercial transactions. He has extensive experience with non-profit and social purpose real estate development in both publicly funded and non-funded environments.

Real Estate Council of BC

Mr. Walker also has an active commercial real estate practice, dealing with residential, commercial and resort developments, land acquisition and financing, zoning and land use, and regulatory issues. He is a past board member of the BC Housing Management Commission.

Senior Executive Team

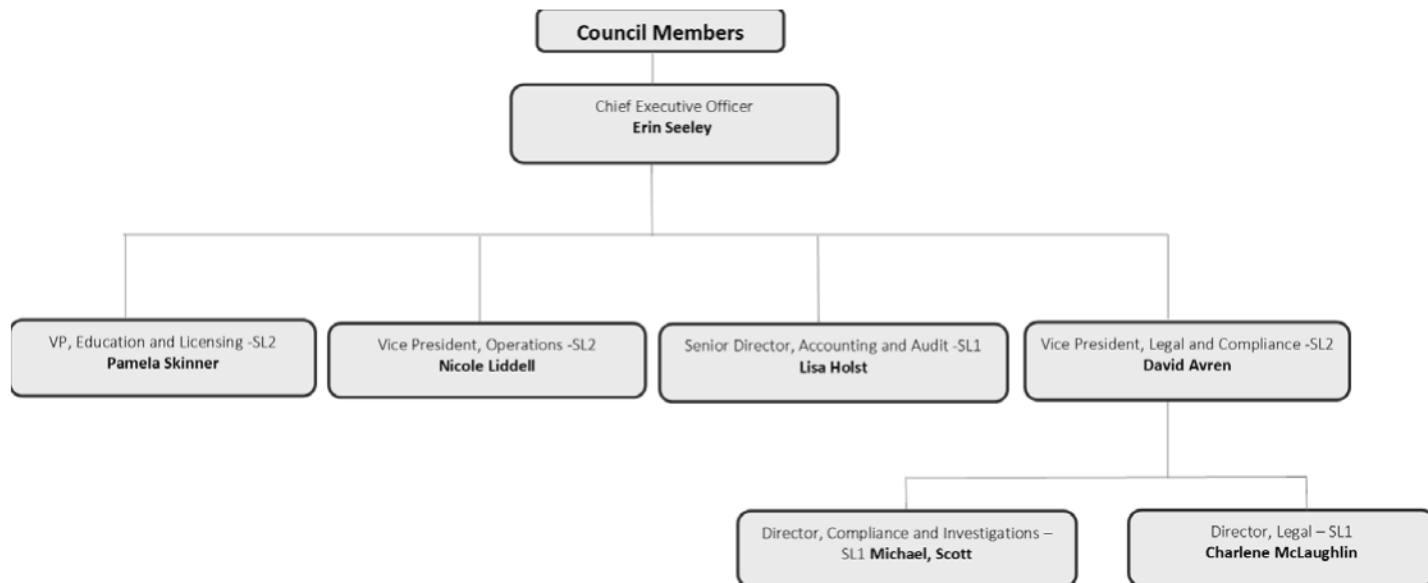
Erin Seeley – Chief Executive Officer

Prior to her role at RECBC, Ms. Seeley served most recently as Executive Director of the Immigration Programs Branch in the Ministry of Jobs, Tourism, and Skills Training, where she was responsible for the strategic direction and operations of BC's immigration programs. She has also served as the Executive Director of Finance for two Crown corporations: the BC Immigrant Investment Fund and the BC Renaissance Capital Fund.

Senior staff

- David Avren, Vice President, Legal Services and Compliance
- Lisa Holst, Senior Director, Accounting and Audit
- Pamela Skinner, Vice President, Education and Licensing
- Nicole Liddell, Vice President, Operations
- Charlene McLaughlin, Director, Legal Services
- Michael Scott, Director, Compliance and Investigations

Organization Chart



Financial Plan

The Real Estate Council of BC does not receive taxpayer funding. Operations are primarily funded through licensing assessment fees gathered from the more than 26,000 individuals and brokerages they license and regulate. A small portion of their revenue is derived from enforcement sanctions and

Real Estate Council of BC

required under RESA to be directed to the internally restricted In-Trust Education Fund. RECBC's budget includes fees collected and remitted on behalf of the Superintendent of Real Estate, the Real Estate Errors and Omissions Insurance Corporation, and the Real Estate Compensation Fund Corporation.

(\$000)	2019/20 Forecast	2020/21 Budget	2021/22 Plan	2022/23 Plan
Total Revenue				
By Major Sources				
Licence Fees*	1,176	1,156	1,156	1,156
Assessment Fees**	10,115	10,509	12,362	12,362
Course Fees	3,864	8,586	8,586	8,586
Other Int and Investment Income (net)***	79	304	304	304
Total Revenue	15,234	20,555	22,408	22,408
Total Expenses				
By Program Area or Function				
Operational & Administration	10,824	13,529	13,805	13,805
Investigative	1,096	1,147	1,347	1,347
Other	3,314	5,879	7,256	7,256
Total Expenses	15,234	20,555	22,408	22,408

*Licence and Assessment fees are collected for a 24-month licensing cycle based on individual renewal dates.

**Assessment fees are assumed to increase by \$100 (17.6%) in 2021/22 and 2022/23.

*** Interest and investment income is net of credit card charges.

Real Estate Council of British Columbia

2020/21 – 2022/23 SERVICE PLAN

February 2020



For more information on the Real Estate Council of British Columbia, contact:

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www.recbc.ca

Council Chair Accountability Statement



The 2020/21 – 2022/23 Real Estate Council of British Columbia (RECBC) Service Plan was prepared under the Council’s direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government’s strategic priorities and fiscal plan. The Council is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Council is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 2020 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, RECBC’s mandate and goals, and focus on aspects critical to the organization’s performance. The targets in this plan have been determined based on an assessment of RECBC’s operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in cursive script that reads "Elain Duvall".

Elain Duvall
Council Chair

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Strategic Direction and Alignment with Government Priorities

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy. Crowns are essential to achieving these priorities by providing quality, cost-effective services to British Columbia families and businesses.

Additionally, where appropriate, the operations of Crowns will contribute to:

- The objectives outlined in the government’s newly released A Framework for Improving British Columbians’ Standard of Living,
- Implementation of the *Declaration on the Rights of Indigenous Peoples Act* and the Truth and Reconciliation Commission Calls to Action, demonstrating support for true and lasting reconciliation, and
- Putting B.C. on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water as described in the CleanBC plan.

By adopting the Gender-Based Analysis Plus (GBA+) lens to budgeting and policy development, Crowns will ensure that equity is reflected in their budgets, policies and programs.

The Real Estate Council of British Columbia (RECBC) is a regulatory agency established by the provincial government in 1958. Our mandate is to protect the public interest by enforcing the licensing and licensee conduct requirements of the *Real Estate Services Act*. RECBC is responsible for licensing individuals and brokerages engaged in real estate sales, rental and strata property management. RECBC also enforces entry qualifications, investigates complaints against real estate professionals and imposes disciplinary sanctions under the Act. RECBC does not receive taxpayer funding as our operations are funded through licensing assessment fees.

RECBC’s mission is to protect the public interest by promoting and enforcing professional standards to raise the competency and conduct of real estate professionals in British Columbia. In collaboration with the Office of the Superintendent of Real Estate (OSRE), RECBC works to achieve the shared goal of a fair, transparent and consistent regulatory system for real estate services in British Columbia.

We have set out a three-year plan with strategies, performance measures and targets, aligned with the objectives in the B.C. Government’s [Mandate Letter](#), to fulfill our mission on behalf of B.C. consumers and achieve our vision: *Public trust in ethical and competent real estate professionals*.

In November 2019, the Ministry of Finance announced its intention to create a single regulator for the financial services sector, including real estate, by amalgamating RECBC and OSRE within the British Columbia Financial Services Authority (BCFSA). This amalgamation will require legislative change and it is anticipated to be fully implemented in 2021. We are committed to working with the Ministry of Finance, OSRE and BCFSA to transition to a single regulator. The goals, strategies, performance measures and targets contained in this service plan will guide our work until the amalgamation is effective. This service plan includes performance measures and budget planning until 2022/23; however, these may be adapted for inclusion in future service plans by BCFSA.

RECBC supports Government’s commitment to reconciliation with Indigenous Peoples. We are taking steps to implement the *Declaration on the Rights of Indigenous Peoples Act* and the Calls to Action of the Truth and Reconciliation Commission within the context of our work to protect the

public interest through the regulation of real estate professionals. We will work to ensure that RECBC’s operations align with Government’s climate plan to move towards a low-carbon economy and we will be applying the GBA+ lens to promote equity in our operations and programs.

This service plan identifies three key goals that reflect successfully delivering on our vision and mission: fostering a culture of service excellence; providing consumers and real estate professionals with the information to participate effectively in real estate transactions; and ensuring public confidence in real estate regulation. As we prepare for the transition to a single regulator, we will continue to make the investments necessary to increase our efficiency and improve our services to real estate consumers and real estate professionals.

We will work to deliver on these goals by effectively and efficiently identifying and mitigating risks to real estate consumers; raising awareness among members of the public about real estate issues; and increasing professionalism in the real estate industry. By achieving these goals, we will help ensure that B.C. consumers can participate with confidence in real estate transactions, knowing they are working with competent and ethical real estate professionals.

RECBC is aligned with the Government’s key priorities:

Government Priorities	RECBC Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> Working with OSRE and the Ministry of Finance to address market conduct of real estate professionals and ensure rules are appropriately implemented, including anti-money laundering requirements. (Strategy, Objective 3.2)
Delivering the services people count on	<ul style="list-style-type: none"> Fostering a culture of service excellence. (Goal 1). Working with OSRE, the Ministry of Finance, and BCFSFA to establish a single, trusted regulator. (Strategy, Objective 3.2)
A strong, sustainable economy	<ul style="list-style-type: none"> Helping consumers and real estate professionals to access the information and resources they need to participate effectively in real estate transactions. (Goal 2). Working collaboratively with Government, OSRE, BCFSFA and other agencies to ensure real estate professionals comply with anti-money laundering requirements. (Strategy, Objective 3.3)

Operating Environment

Real estate transactions are a significant economic driver in British Columbia. From year to year, many factors may affect the real estate market, the practices and regulation of licensed real estate professionals and the protection of real estate consumers.

In our external operating environment, one of the most significant challenges that RECBC continues to experience is the rise in complaint volumes, which have doubled since 2015. Recent leveling of sales in the province's real estate markets may be slowing the increase in new complaints and may also affect the numbers of new entrants into the profession.

In 2018, a decision by the Supreme Court of Canada upheld the position of the Competition Bureau that consumers deserve greater access to real estate data in Canada. In the years ahead, RECBC will be monitoring the impacts of this decision, and other innovations that may disrupt traditional real estate business practices, affecting the numbers of new entrants and the retention of experienced practitioners in the industry.

A range of factors influence RECBC's internal operating environment. The Minister of Finance announced her intention to create a single regulator for the financial services sector, including real estate, by amalgamating RECBC and OSRE within the British Columbia Financial Services Authority (BCFSA) in 2021. We are committed to working with the Ministry of Finance, OSRE and BCFSA to transition to a single regulator while continuing to deliver robust consumer protection. However, planning and activities required to implement the transition may impact RECBC's ability to complete planned internal modernization projects.

Developments that may positively impact performance results in 2020/21 include ongoing investment in building leadership capacity across RECBC's business areas. Further work to support employee engagement, recruitment and retention will be particularly critical during the transition to a single regulator within the BCFSA.

The transition of responsibility for the development and administration of regulatory education from the British Columbia Real Estate Association (BCREA) to RECBC may continue to impact us over the coming year as we adapt to this new business line. RECBC will introduce a new mandatory continuing education course for real estate professionals in 2020/21.

We will undertake further investment in data management and information technology to understand and manage business risks and maintain or improve service delivery levels. RECBC recognizes the fast pace of technological change and the need to adapt business-critical systems to provide effective and efficient services. Responding to the threats and opportunities of technological change will require ongoing innovation, collaboration and system-wide thinking. We will continue to focus on expanding online services to consumers and real estate professionals.

Performance Plan

This performance plan describes RECBC's goals, objectives and performance measures for 2020/21 to 2022/2023. The goals are similar to those in the 2019/20 Service Plan with updates to better reflect strategic priorities, alignment with Government's Mandate Letter and the organization's performance. These changes will be integrated into the organizational strategy and performance measures and will continue to evolve.

In developing this performance plan, RECBC evaluated results of its ongoing monitoring of the operating environment and considered direction from Government and its strategic priorities. We will regularly engage on both strategic and operational levels with the Ministry of Finance, OSRE and BCFSa. RECBC will work with OSRE and BCFSa to ensure that development and implementation of the strategies in this performance plan that will impact the single regulator is done collaboratively and with due consideration of the expanded role of the future amalgamated organization

Goal 1: RECBC fosters a culture of service excellence

This goal aligns with the Government priority to deliver the services that people count on.

Objective 1.1: Enhance the efficiency and timeliness of compliance and licensing processes

To ensure that RECBC continues to effectively manage complaints and investigations in a timely manner, and reduce its inventory of cases, we are committed to developing processes that enable the organization to respond effectively to a changing environment. One of the outcomes resulting from increasing levels of public awareness of RECBC's role as the regulator of licensed real estate professionals has been a sustained high volume of complaints: in fiscal year 2018/19 RECBC received 848 complaints. As RECBC continues to focus on consumer awareness activities, no decrease in complaint volumes is anticipated in the coming years. As a result, a key measure of success for RECBC will be the maintenance or reduction of the average time to complete an investigation. To achieve this outcome, RECBC's compliance and legal department will continue to implement measures to streamline investigative processes, prioritize and expedite critical investigations, increase the efficiency and transparency of disciplinary processes, and introduce alternatives to resolve complaints in advance of a hearing. RECBC will continue to focus on modernizing licensing processes, automating internal document management, and implementing practices to facilitate and encourage flexibility and problem-solving within our licensing department.

Key Strategies:

- Implement a new case management system to improve productivity and reporting.
- Further develop alternative measures of disciplinary action to promote timely resolution of certain cases and free up resources for more complex cases.
- Develop a dedicated client service support team to provide one-stop access to information for consumers and real estate professionals.
- Continue transition of licensing processes online to eliminate paper applications.

Performance Measure(s)	2017/18 Baseline	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.1a Average number of calendar days to complete a complaint investigation ¹	310	296	245	Maintain or decrease from prior year	Maintain or decrease from prior year	Maintain or decrease from prior year
1.1b Percentage of complete applications for new individual licences processed within three weeks ²	N/A	89%	90%	Maintain or increase from prior year	Maintain or increase from prior year	Maintain or increase from prior year
1.1c Reduction in 2018/19 inventory of compliance files ³	N/A	700 baseline	650	400	Maintain or decrease from prior year	Maintain or decrease from prior year

1. Data Source: RECBC complaints tracking system (note that 2017/18 is a 9-month fiscal period)
2. Data Source: RECBC licensing tracking system (note that 2017/18 is a 9-month fiscal period)
3. Data Source: RECBC compliance department files (note that 2017/18 is a 9-month fiscal period)

Linking Performance Measures to Objectives:

- 1.1a RECBC demonstrates its ability to respond to reported conduct issues in a timely manner, while continuing to ensure administrative fairness, through the average length of time required to complete complaint investigations.
- 1.1b In addition to providing services to the public, RECBC has an obligation to provide licensing services to suitable and qualified applicants in a timely manner. The processing of new licence applications is a key indicator of licensing service standards and efficiency.
- 1.1c As a result of the increase in the volume of complaints over the past three years, RECBC has an inventory of active investigation files. Measures to reduce this inventory that have been implemented to date include: the recruitment of additional investigators to expand the capacity of RECBC’s compliance department, streamlining the file review process to increase the efficiency of investigations, and improving the timeliness of RECBC’s responses to consumer complaints. These changes have had a significant impact on reducing the inventory of investigation files. Over the next two years RECBC plans to continue to reduce the inventory through on ongoing focus on process improvements and investments in training and technology.

Discussion:

- 1.1a RECBC is on track to meet our forecast for this performance measure, exceeding the target of a 5% decrease from our 2019/20 Service Plan. As RECBC continues to streamline and automate processes, we may update this performance measure to improve service standards. Targets for future years may be adjusted accordingly.
- 1.1b This measure was introduced in RECBC’s first service plan in 2018 and was not previously tracked, therefore there is no data to report for 2017/18. RECBC is on track to meet our forecast for this performance measure.
- 1.1c This measure is based on the inventory of complaints as of January 2019. RECBC is on track to meet our forecast for this performance measure. Targets may be adjusted annually to reflect changes in the future volume of complaints which cannot be predicted. While the inventory reflects the current number of open investigation files, it does not provide insight into the

relative complexity of those files, which is also outside of RECBC’s control. Variability in the complexity of investigations will impact the time required to complete investigations.

Objective 1.2: RECBC employees are engaged and motivated

Engaged and motivated employees contribute to higher levels of organizational success. To create a workplace that enhances employee engagement, RECBC will continue to build a strong culture in which all employees are valued and receive the support to increase their skills, expand their knowledge and develop their careers. RECBC has experienced a period of significant business transformation and growth where more than 30% of current employees are relatively new to the organization. By continuing to focus on workplace culture development, we will build organizational capacity to achieve service excellence, contributing to the success of the BCFSa.

Key Strategies:

- Enable and promote a workplace culture where all employees support RECBC’s values.
- Implement a performance management program.
- Develop and implement employee training policies and career development paths, in collaboration with BCFSa to ensure consistency with policies of the single regulator
- In collaboration with BCFSa, develop a competitive compensation package that includes rewards, recognition and opportunities for ongoing learning and development now and under the BCFSa.

Performance Measure:

RECBC will demonstrate success at implementing the strategies described above to build a culture of service excellence and an engaged and motivated workforce through regular, comprehensive employee surveys, augmented by pulse check surveys to confirm results in alternating years. The first survey to establish a baseline against which to measure increases in engagement levels was conducted in 2019.

Performance Measure(s)	2017/18 Baseline	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
1.2 Level of employee engagement ¹	N/A	75% Baseline	Maintain or increase from prior year	Maintain or increase from prior year	Maintain or increase from prior year	Maintain or increase from prior year

¹ Data Source: Employee engagement survey and trust index.

Linking Performance Measure to Objectives:

- 1.2 RECBC measures employee engagement through a survey and trust index that measures employee perceptions on leadership, organizational credibility, respect, fairness, pride and camaraderie in the workplace. The results of the survey provide a foundation upon which to build further employee engagement initiatives. Having achieved over 70% in its baseline survey, RECBC was certified in 2019 as a Great Place to Work™ by Great Place to Work®, a global authority that measures and recognizes excellence in workplace cultures.

Discussion:

1.2 As RECBC continues to implement measures to enhance employee engagement, such as enhancements to our onboarding processes, improvements to performance goal setting and management, changes to benefits as well as to human resources policies and procedures, expanded opportunities for continuous learning and development, and improved internal communications our surveys will be augmented with semi-annual pulse checks. In December 2019, RECBC was proud to be named one of Canada’s Best Workplaces Managed by Women, as determined by Great Place to Work. The award is based on direct feedback from employees and demonstrates RECBC’s increasing level of workforce engagement and satisfaction.

Goal 2: Consumers and real estate professionals have the information and resources they need to participate effectively in real estate transactions

This goal aligns with the Government priority of building a strong, sustainable economy.

Objective 2.1: Increase the availability of consumer resources to support informed real estate decisions

To ensure that real estate consumers are well informed and feel empowered to make the decisions that are most appropriate for them, they need access to independent, relevant, accessible information that helps them to understand the process of a real estate transaction, and the risks and issues that may be encountered. RECBC is investing in delivering information online through our website and social media channels, and offline through direct engagement activities to help consumers build the skills and knowledge they need to make sound real estate decisions.

Key Strategies:

- Promote a new consumer-focused website and online resources.
- Deliver targeted campaigns to inform and educate consumers, including a focus on high-risk or vulnerable consumers.

Performance Measure:

RECBC will gauge consumers’ self-reported levels of knowledge and confidence through a consumer survey conducted every two years by a third-party market research firm.

Performance Measure(s)	2018/19 Baseline	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.1 Percentage of consumers who feel informed and knowledgeable to participate effectively in a real estate transaction. ¹	70%	N/A	5% increase from prior results	N/A	Maintain or increase from prior results

¹Data Source: Biennial consumer survey conducted by Insights West.

Linking Performance Measures to Objectives:

2.1 Surveying every second year allows for sufficient time to analyze results and implement measures to improve future outcomes.

Objective 2.2: Increase the standard of education and resources provided to real estate professionals

RECBC will increase public confidence in the real estate industry by raising educational standards, promoting best practices and fostering a culture of strong ethics. Following an external review of its regulatory education RECBC developed a multi-year education strategy including new initiatives to increase education standards. RECBC will continue to focus on planned enhancements to regulatory education to promote increased professionalism among real estate professionals and to strengthen consumer protection, working in collaboration with BCFSA to identify opportunities for sector-wide education and/or application to other regulated financial services professionals.

Key Strategies:

- Continue to transform continuing education for real estate professionals, including introducing mandatory anti-money laundering and ethics courses.
- Engage industry stakeholders through the RECBC Education Advisory Group to explore implementing a more formal apprenticeship model to enhance regulatory education.
- Develop updated competency profiles to support the review of the educational and assessment components of pre-licensing and continuing education.
- Undertake a comprehensive review and update of RECBC’s key resources for real estate professionals and managing brokers, the *Professional Standards Manual* and *Brokerage Standards Manual*.
- Collaborate with OSRE to engage and support managing brokers as industry change agents.

Performance Measures

RECBC will measure the effectiveness of strategies to enhance regulatory education and raise standards of resources for real estate professionals by surveying managing brokers. Managing brokers have attained a higher level of licensing, must be experienced practitioners, and are responsible for oversight of all real estate professionals at a real estate brokerage. They are thus well positioned to assess the competency of real estate professionals under their supervision.

Performance Measure(s)	2018/19 Baseline	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
2.2 Percentage of managing brokers who agree that RECBC education prepares real estate professionals for competent and professional practice. ¹	87%	N/A	Maintain or increase from prior results	N/A	Maintain or increase from prior results

¹Data Source: Biennial survey of managing brokers conducted by Insights West.

Linking Performance Measures to Objectives:

2.2 Under the *Real Estate Services Act*, managing brokers supervise real estate professionals and are accountable for brokerage operations. Surveys of managing brokers will measure the effectiveness of changes to the delivery and content of licensing education.

Goal 3: Ensuring public confidence in real estate regulation

This goal aligns with the Government priority to deliver the services people count on.

Objective 3.1: Raise awareness of the regulatory mandate and strengthen relationships with stakeholders

In collaboration with OSRE and BCFSa, we will engage with stakeholders in industry, government and key consumer groups to strengthen awareness of the role of the regulator of licensed real estate professionals as a source of accurate, impartial real estate information. We will survey consumers to measure public awareness of the role of regulation in B.C. real estate services in order to ensure a strong foundation for the establishment of a single regulator of financial services including real estate.

Key Strategies:

- Create and implement a public relations strategy.
- Strengthen relationships with key stakeholders and government partners.
- Enhance transparency in decision-making and governance.

Performance Measure(s)	2017/18 Baseline	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.1 Percentage of recent real estate consumers who are aware of the regulatory mandate. ¹	65%	N/A	5% increase from prior results	N/A	Maintain or increase from prior results	N/A

¹Data Source: Biennial consumer survey conducted by Insights West.

Linking Performance Measures to Objectives:

3.1 This performance measure is tracked through a survey of recent real estate consumers conducted by a third-party market research firm every two years. RECBC will measure success by seeing an increase in the percentage of recent real estate consumers who are aware of the role of the regulator of licensed real estate professionals. Surveying consumers every second year allows for sufficient time to analyze results and implement measures to improve future survey responses.

Discussion:

3.1 This performance measure has been updated from previous years to reflect that with regulatory amalgamation ahead, it is important to build public awareness of the role of regulation in real estate.

Objective 3.2: RECBC will work with OSRE, BCFSA and other partners to address market conduct and consumer risks

RECBC takes an evidence-based approach to identify and understand the causes of emerging risks in the B.C. real estate market. We work with OSRE, BCFSA, other regulatory agencies, government partners and industry stakeholders to address these issues. We also educate real estate professionals about how to avoid conduct that may result in risks to consumers and raise consumer awareness of risks and how they can be avoided or reduced.

Key Strategies:

- Take an evidence-based approach to identifying and responding to emerging risks.
- Work with staff from OSRE and the Ministry of Finance on policy initiatives to review the role of managing brokers in real estate regulation and the ethical conduct and standards of real estate professionals.
- Work with OSRE and the Ministry of Finance to address market conduct of real estate professionals and support OSRE in ensuring rules are appropriately implemented, including specific attention to anti-money laundering and reporting suspicious transactions.
- Cooperate with BCFSA, OSRE and other agencies to identify and mitigate consumer risks.
- Work with OSRE, the Ministry of Finance, and BCFSA to establish a single regulator.
- Develop and implement consumer and licensee awareness campaigns about emerging risks.

Performance Measure(s)	2017/18 Baseline	2018/19 Actuals	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.2 Number of people who access RECBC Advisory Notices online. ¹	4,676	6,172	5% increase from prior year	Maintain or increase from prior year	Maintain or increase from prior year	Maintain or increase from prior year

¹Data Source: RECBC website analytics.

Linking Performance Measures to Objectives:

- 3.2 RECBC will measure success by demonstrating annual increases in the number of visits to Advisory Notices made available on our website alerting consumers and real estate professionals to emerging risks and providing guidance on ways to prevent or reduce the likelihood of harm.

Objective 3.3: Implement measures to strengthen enforcement of conduct requirements for real estate professionals and increase consumer protection

RECBC is committed to developing and implementing measures to strengthen enforcement and increase consumer protection. We will work collaboratively with OSRE, BCFSA and the Ministry of Finance to ensure requirements relating to anti-money laundering for real estate professionals are appropriately implemented to improve the effectiveness of B.C.’s Anti-Money Laundering Regime.

Key Strategies:

- Enhance RECBC’s brokerage audits (office records and inspection program) to provide more education for managing brokers on best practices for brokerage policy and records management.
- Develop a public report card summarizing the results of the brokerage audits, providing important feedback to managing brokers and improving consumers’ ability to make informed real estate decisions. Continue to develop tools and resources for managing brokers, including resources on records management and brokerage policy best practices.
- Continue to work with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) to ensure that brokerages understand their anti-money laundering requirements.
- Work collaboratively with the federal and provincial Governments, OSRE, BCFSA and other agencies as appropriate to ensure real estate professionals comply with anti-money laundering requirements.

Performance Measure(s)

RECBC will measure the effectiveness of planned initiatives to increase compliance by brokerages by tracking the number of audits that do not result in administrative penalties or disciplinary proceedings against the brokerage.

Performance Measure(s)	2019/20 Forecast	2020/21 Target	2021/22 Target	2022/23 Target
3.3 Percentage of audits that do not result in administrative penalties or disciplinary proceedings.	92% baseline	Maintain or increase from prior year	Maintain or increase from prior year	Maintain or increase from prior year

Linking Performance Measures to Objectives:

- 3.3 RECBC audits a representative sample of B.C.’s real estate brokerages annually based on a risk matrix to ensure they are operating in accordance with the *Real Estate Services Act*, Regulation and Rules. This performance measure will track the percentage of brokerages that do not have significant deficiencies noted in audit results.

Discussion:

- 3.3 RECBC expects to reach the forecast baseline for 2019/20 on this measure. Potential rule changes expanding the range of administrative penalties are anticipated in 2020/21. Future targets for this performance measure may require recalibration as a result. A baseline survey of recently audited managing brokers, conducted in 2019, identified areas where RECBC's audit program can be enhanced to increase the educational value of the audit and inform the development of new resources and tools for managing brokers in 2020/21.

Financial Plan

The Real Estate Council of BC does not receive taxpayer funding. Key activities described in this Service Plan will be primarily funded through licensing assessment fees gathered from the more than 26,000 individuals and brokerages we license and regulate. A small portion of our revenue is derived from enforcement sanctions and required under the *Real Estate Services Act* to be directed to the internally restricted In-Trust Education Fund. RECBC's budget includes fees collected and remitted on behalf of the Superintendent of Real Estate, the Real Estate Errors and Omissions Insurance Corporation, and the Real Estate Compensation Fund Corporation. RECBC expenditures are divided between investigative functions (compliance department and a portion of audit and legal expenses) and other administrative costs (education, communications, legal, audit and professional advisory services).

Summary Financial Outlook

(\$000)	2019/20 Forecast	2020/21 Budget	2021/22 Plan	2022/23 Plan
Total Revenue				
By Major Sources				
Licence Fees*	1,176	1,156	1,156	1,156
Assessment Fees**	10,115	10,509	12,362	12,362
Course Fees	3,864	8,586	8,586	8,586
Other Int and Investment Income (net)***	79	304	304	304
Total Revenue	15,234	20,555	22,408	22,408
Total Expenses				
By Program Area or Function				
Operational & Administration	10,824	13,529	13,805	13,805
Investigative	1,096	1,147	1,347	1,347
Other	3,314	5,879	7,256	7,256
Total Expenses	15,234	20,555	22,408	22,408
Total Liabilities/Debt (even if zero)	700	700	700	700
Accumulated Surpluses - (RECBC)	8,495	8,495	8,495	8,495
Accumulated Surpluses - (REEOIC)	24,086	24,086	24,086	24,086
Capital Expenditures	1,025	2,169	200	200

*Licence and Assessment fees are collected for a 24-month licensing cycle based on individual renewal dates.

**Assessment fees are assumed to increase by \$100 (17.6%) in 2021/22 and 2022/23.

*** Interest and investment income is net of credit card charges.

Key Forecast Assumptions, Risks and Sensitivities

Our key revenue assumptions are as follows for comparative year 2020/21:

- Budget is based on a conservative estimate that annual licence renewals may decline up to 2.5% as a result of market fluctuations and changes to education standards.
- No change anticipated to licensing fee and assessment rates in 2020/21. Licensing fee and assessment rates are reviewed annually as part of budget planning.
- Budget projections for 2021/22 and 2022/23 include an anticipated increase of \$100 in licensee assessment fees to ensure balanced budgets. With increasing technology investments and process improvements, operating expenses are expected to increase with revenues decreasing due to the projected decline in renewals per above.
- Administrative responsibility for regulatory education course development and delivery transitioned from BCREA to RECBC in October 2019. RECBC now develops and administers mandatory regulatory education on a cost-recovery basis. Course fee revenue for 2019/20 is forecast at \$3.8M and includes expected revenue from a new mandatory regulatory education course to be introduced in January 2020. The launch of a further new mandatory education course is anticipated in the spring of 2020. All real estate professionals must complete RECBC's mandatory regulatory education courses within their 2-year licensing cycle.

Our key expense assumptions are as follows for comparative year 2020/21:

- \$3.0M increased education program expenses, not including staffing costs, as a result of program administration and delivery adopted in October 2019.
- \$2.2M increased staffing costs as anticipated to support additional full-time employees (FTE) for compliance, audit and operations functions and increased employee benefit costs.
- RECBC has renewed the lease for its current premises until 2034, with additional space totaling 17,389 sqft at an average cost of \$31.25/sqft over a 15-year commitment.
- No changes anticipated in liabilities.
- No change anticipated to investment in controlled entities: Real Estate Compensation Fund Corporation (assets in trust) or Real Estate Errors and Omissions Insurance Corporation (government business enterprise).
- Other interest and investment income is net of credit card expenses.
- Capital assets are amortized straight line for computer hardware and software additions and office furniture and equipment over four and five years respectively.

Risks include:

- RECBC revenue is uncertain as trends in new licence applications and renewals of existing licences are impacted by market fluctuations and the unpredictability of enforcement sanctions.
- Proposed balanced budgets for fiscal years 2020 and 2021 are subject to change based on licensee assessment and renewal fees revenue. Deficits may erode RECBC's unrestricted surplus or may be offset by future increases to licensee assessment fees. RECBC's revenue strategy will be reviewed annually and real estate professionals will be provided with advance notice of any proposed increases.
- Costs associated with the implementation of a technology modernization remain preliminary.

- Costs associated with the anticipated amalgamation with the Office of the Superintendent and the BC Financial Services Authority are still unknown. RECBC is working with representatives from each organization and with the Ministry of Finance to develop project plans and preliminary budgets for the amalgamation project.

Management's Perspective on the Financial Outlook

RECBC prepares an annual budget for approval by the Council, monthly budget variance reporting to management and requests Council approval of significant expense variances.

Compensation and occupancy costs account for about 57% of the organization's expenses for 2020/21. We are enhancing staff capacity to align with growing operational demands and strategic priorities as we plan for a transition to a single regulator. To accommodate its staff and improve space efficiencies, RECBC has secured a 15-year lease expanding our current premises in downtown Vancouver until 2034. RECBC is not a capital intensive organization and has no capital projects valued at more than \$50M.

RECBC continues to enhance its use of technology to improve the efficiency and effectiveness of its services while improving digital security and reducing technical liability. RECBC will increase the use of data across all platforms to predict trends and identify potential consumer risks. Technology expenditures are projected to increase over the next three years as licensing processes are modernized, case management systems are improved, infrastructure is upgraded, and strategic data initiatives begin. Our revenue strategy and any future changes to assessment fees will be reviewed annually based on changing strategic priorities, operating expenditures and licence renewal trends.

RECBC appoints the majority of the board members to the Real Estate Compensation Fund Corporation (RECFC). RECFC provides protection for members of the public who have entrusted real estate professionals with money that was misappropriated or wrongfully converted, intentionally not paid over or accounted for, or obtained by fraud. The funds administered by RECFC under the *Real Estate Services Act* (RESA) meet the definition of a trust under administration and are not included in RECBC's financial statements.¹

The Real Estate Errors and Omissions Insurance Corporation (REEOIC) is a government business enterprise (GBE) controlled by RECBC. REEOIC is a special act corporation incorporated under RESA. REEOIC pools the insurance premiums paid by real estate professionals in a fund that is used to pay the costs of defending and indemnifying real estate professionals against professional liability claims.

¹ As determined by RECBC auditors Grant Thornton LLP in 2017.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

Information about RECBC's Corporate Governance can be found at:

<https://www.recbc.ca/about/governance.html>.

This includes links to information regarding:

- Council members
- RECBC committees and advisory groups
- Executive Team

Organizational Overview

Information about RECBC's operating environment can be found at:

<https://www.recbc.ca/about/overview.html>.

This includes links to information about:

- RECBC's mandate
- Core business areas
- Organizational goals

The *Real Estate Services Act*, the enabling statute for RECBC, is available here:

http://www.bclaws.ca/civix/document/id/complete/statreg/04042_01

Public Review of Real Estate Regulation

[Real Estate Regulatory Structure Review, September 2018](#)

Related Organizations

Information about the Real Estate Compensation Fund Corporation can be found at:

<https://www.recbc.ca/complaints/special-compensation-fund.html>

Information about the Real Estate Errors and Omissions Corporation can be found at:

<https://www.reeoic.com/>

Information about the Office of the Superintendent of Real Estate can be found at:

<https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/central-government-agencies/office-of-the-superintendent-of-real-estate>

Information about the British Columbia Financial Services Authority can be found at:

<https://www.bcfsa.ca/>

Real Estate Council of British Columbia

2019/20 Annual Service Plan Report



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Board Chair's Accountability Statement



The *Real Estate Council of British Columbia 2019/20 Annual Service Plan Report* compares the corporation'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.

Elain Duvall
Board Chair
July 6, 2020

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Letter from the Board Chair & CEO

On behalf of the members of the Real Estate Council of BC and all RECBC employees, we are pleased to submit RECBC's Annual Service Plan Report for the year ending March 31, 2020. The results described in this report were established in the 2019/20 – 2021/22 Service Plan and align with our 2019/2020 [Mandate Letter](#).

RECBC had a successful year, delivering substantively on key strategies described in our Service Plan to protect the public, and to support the provincial government's commitment to British Columbians to make life more affordable, deliver the services that people count on, and build a strong, sustainable economy.

Following the announcement on November 12, 2019 of the government's intention to create a single regulator for the financial services sector including real estate, we have worked collaboratively with the Office of the Superintendent of Real Estate (OSRE) and the BC Financial Services Authority (BCFSA) to plan for the integration of the three organizations by spring 2021.

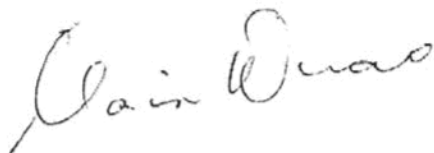
We have honoured government's commitment to deliver the services that people count on, by implementing process improvements and investing in new technology to increase our efficiency, leading to a significant reduction of RECBC's existing inventory of complaints and to enhancements in our ability to process new licensing applications on a timely basis.

In keeping with the government's commitment to make life more affordable, we have addressed market conduct by becoming the first real estate regulator in Canada to partner with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). Under this partnership we cooperate and share information to facilitate anti-money laundering enforcement activities in British Columbia's real estate sector. We have also introduced the first mandatory regulatory course on anti-money laundering by a real estate regulator, successfully delivering the course to more than 10,000 real estate professionals since its launch in January 2020.

RECBC's senior leadership engages regularly on both strategic and operational levels with the Ministry of Finance, OSRE and BCFSA. Quarterly meetings between the Council Chair and the Minister of Finance ensure alignment with government policy expectations and the opportunity to discuss actions identified in the government Mandate Letter. RECBC has also worked with OSRE and BCFSA to ensure that development and implementation of strategies that will impact the single regulator consider the expanded role of the future integrated single regulator.

We are proud of our accomplishments this year. We will continue to work to fulfill our mission on behalf of B.C consumers and achieve our vision: *Public trust in ethical and competent real estate professionals*. As we will be integrating with OSRE and BCFSA in the year ahead, we look forward to reviewing our performance measures and strategies and reflecting on our evolving priorities within the context of a single financial services regulator.

Elain Duvall



Board Chair, Real Estate Council of BC
July 6, 2020

Erin Seeley



CEO, Real Estate Council of BC
July 6, 2020

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 Crown Corporation's Board is required to report on the actual results of the Crown's performance related to the forecasted targets documented in the previous year's Service Plan.

Purpose of the Organization

The Real Estate Council of BC (RECBC) is a regulatory agency established by the provincial government in 1958. RECBC's enabling legislation is the *Real Estate Services Act*, SBC 2004, c. 42. RECBC transitioned from a self-regulatory organization to a crown agency in 2017/18, moving its fiscal year end to March 31 to align the organization's financial reporting with the government's requirements for service plan reporting.

Our mandate is to protect the public interest by enforcing the licensing and conduct requirements of the *Real Estate Services Act* (RESA). Currently, RECBC has a Council of 14 publicly appointed members responsible for corporate governance and a staff of approximately 100. Additional information on our mandate, mission, vision and values can be found on the [RECBC website](#).

RECBC benefits the public by protecting real estate consumers. We are responsible for:

- licensing individuals and brokerages engaged in real estate sales, rental and strata property management;
- enforcing entry qualifications;
- investigating complaints against licensed real estate professionals; and
- imposing disciplinary sanctions under RESA.

RECBC does not receive taxpayer funding: our operations are fully funded through licensing assessment and education fees paid by licensed real estate professionals.

Our mission is to protect the public interest by promoting and enforcing professional standards to raise the competency and conduct of licensed real estate professionals in BC. Our vision is of public trust in ethical and competent real estate professionals. Together with the Superintendent of Real Estate, RECBC works to ensure that real estate services regulation in BC is effective, transparent, and fair.

The consolidated financial statements of RECBC include the Real Estate Errors and Omissions Corporation, a government business enterprise controlled by RECBC.

Strategic Direction

The strategic direction set by Government in 2019/20 and expanded upon in the Board Chair’s [Mandate Letter](#) from the Minister Responsible in 2019 shaped the 2019/20 Real Estate Council of BC [Service Plan](#) and results reported in this annual report.

The Real Estate Council of BC is aligned with the Government’s key priorities:

Government Priorities	The Real Estate Council of BC aligns with these priorities by:
Making life more affordable	<ul style="list-style-type: none"> Working with OSRE and the Ministry of Finance to address market conduct of real estate professionals and ensure rules are appropriately implemented, including anti-money laundering requirements.
Delivering the services people count on	<ul style="list-style-type: none"> RECBC fosters a culture of service excellence. RECBC is a trusted regulatory authority.
A strong, sustainable economy	<ul style="list-style-type: none"> Consumers and real estate professionals have the information and resources they need to participate effectively in real estate transactions. Working collaboratively with Government, OSRE, BCFSa and other agencies to ensure real estate professionals comply with anti-money laundering requirements.

Operating Environment

RECBC does not receive taxpayer funding: the cost of RECBC’s regulatory oversight is covered by licensing fees paid by real estate professionals. And while revenue has been strong in recent years, it is highly dependent on market activity. Historically, numbers of new entrants to licensing courses and applicants for licensing follow the patterns seen in market activity. According to statistics from the British Columbia Real Estate Association (BCREA), in the 2019 calendar year the number of real estate transactions declined from 78,516 in 2018 to 77,331 in 2019, a drop of 1.6%. As a result of the economic impacts of the COVID-19 pandemic there is a significant risk that further market downturn may lead to lower than expected fee revenue. While no material decline in licensing numbers has yet been observed, RECBC budgets conservatively to limit the impact of a market downturn on our operating capacity and ensure that service standards can be maintained in the event of changes in licensing revenue.

One of the most significant challenges that RECBC has experienced in recent years is the rise in complaint volumes, which have increased substantially: a total of 536 complaints were received in 2014/15, compared to 773 complaints and 287 anonymous tips received in 2019/20. We have made significant investments in additional staff capacity and technological improvements in our compliance department to enable RECBC to manage this volume of investigations in a timely manner and reduce its inventory of complaints.

On November 12, 2019, government announced its intention to amalgamate RECBC and OSRE with BCFSa to create a single regulator for the financial services sector including real estate. RECBC is working with the government, OSRE, and BCFSa towards integration in 2021 while continuing to deliver regulatory services and protect consumers. Planning for the integration of

the three organizations is a significant undertaking requiring the participation of management and staff members from all areas of RECBC.

RECBC has made significant changes to the development and delivery of regulatory education, including transitioning administration and development of regulatory education courses from the BCREA to RECBC. Staff were acquired from BCREA to facilitate a smooth transition of customer experience.

RECBC made investments to support strong employee engagement, retention and recruitment, and to build capacity across business areas to help us deliver on our mandate. Investments in data management and information technology were implemented to manage business risks, and to maintain and improve service delivery levels.

RECBC relaunched its website following several months of consultation and development with a third-party contractor. The launch of the website in early 2020 enhances our ability to communicate guidance and information to real estate consumers and professionals and establishes a modern platform for stakeholder and public engagement. In the coming year RECBC will continue to focus on enhancing online services for consumers and real estate professionals.

To mitigate anticipated effects of the COVID-19 crisis on its operating budget, RECBC is sharpening its focus on delivering essential regulatory services, taking steps to reduce operating costs, including deferring salary increases to preserve its workforce, transitioning to online delivery of mandatory regulatory education courses, postponing planned consultation on an enhanced apprenticeship program, realizing savings from reduced travel and meeting expenses, and reviewing planned expenditures.

Report on Performance: Goals, Objectives, Measures and Targets

RECBC has made progress on each of the strategic actions set out by government. The following section summarizes how RECBC measures and reports performance for its three key goals. This performance report highlights RECBC's results achieved for the fiscal year ending March 31, 2020.

Goal 1: RECBC fosters a culture of service excellence

Objective 1.1: Enhance the efficiency and timeliness of compliance and licensing processes

Key Highlights

RECBC exceeded its targeted performance measures for this objective, as a result of the following successful strategies and actions:

- Developed and launched a new integrated case management software system for legal and compliance departments to eliminate manual processes and paper files, improve productivity and expand reporting.
- Signed a memorandum of understanding with OSRE to expand investigative capacity.

- Collaborated with OSRE on development of proposed changes to the Administrative Monetary Penalty regime for consultation in 2020.
- Completed compliance and legal file classification analysis, categorizing types of complaints received over 2018 – 2019, to enhance investigative and disciplinary measures.
- Completed a file review process to assess and take action on aged investigative files
- Introduced a settlement conference process to assist in the timely resolution of discipline matters.
- Amended RECBC Bylaws to increase efficiency in hearing procedures while providing reasonable compensation for panel members.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
1.1a Average number of calendar days to complete a complaint investigation ¹	296	245	218	Maintain or decrease from prior year	Maintain or decrease from prior year
1.1b Percentage of complete applications for new individual licences processed within three weeks ²	89%	90%	97%	Maintain or increase from prior year	Maintain or increase from prior year
1.1c Reduction in 2018/19 inventory of compliance files ³	700	650	395	400	Maintain or reduce from prior year

1. Data Source: RECBC complaints tracking system
2. Data Source: RECBC licensing tracking system
3. Data Source: RECBC compliance department files

Discussion of Results

RECBC demonstrates its ability to respond to reported conduct issues in a timely manner while continuing to ensure administrative fairness, through the average length of time required to complete investigations. To ensure that RECBC can effectively and efficiently manage the increasing number and complexity of complaints and investigations, we have modernized processes that enable the organization to respond effectively to a changing environment.

In 2019/20 RECBC received 773 complaints and 287 anonymous tips (opening investigations into 43% of the tips received). To effectively manage this volume of investigations and improve service delivery levels, RECBC has invested in data management and information technology, continued its focus on streamlining administrative processes, prioritized and expedited critical investigations, expanded the capacity of its investigative team and established an intake team to assess new complaints, provided additional training opportunities to team members and implemented practices to facilitate and encourage flexibility and problem-solving.

Process improvements during this period included the re-alignment of compliance staff, a change providing for quicker triage and assessment of incoming complaints with a focus on early resolution where appropriate.

This re-alignment was supported by an increase of compliance staff, adding four compliance officers. The increase in staff complement was complemented by enhancements to RECBC's investigative processes and staff training, with improvements made during a period where complaints requiring investigative follow-up averaged approximately 800 per year.

The success of these actions, along with collaborations with the RECBC legal staff on file review has also enabled RECBC to substantially reduce its inventory of compliance files over the past year, closing 663 files in 2019/20.

RECBC has an obligation to provide licensing services to suitable and qualified applicants in a timely manner. The processing of new licence applications is a key indicator of licensing service standards and efficiency. RECBC has made significant strides in making licensing processes available online, and we will continue to streamline and enhance these services.

Objective 1.2: RECBC employees are engaged and motivated

Key Highlights:

RECBC exceeded its targeted performance measure for this objective, as a result of the following successful strategies and actions:

- Following its inaugural workplace engagement survey, RECBC became a [certified Great Place to Work](#)™ in June 2019. In its December 2019 “pulse check” survey, RECBC achieved a 96% participation rate, further increases across all dimensions of trust and engagement, and the organization was recognized as one of Canada's [Best Workplaces Managed by Women](#).
- RECBC developed a Workplace Diversity and Inclusion Policy to promote equality, diversity and inclusion and achieve a workforce representative of BC's diverse communities, and provided learning and development opportunities for employees in the areas of: Gender Based Analysis+, Reconciliation, Respect in the Workplace, Unconscious Bias, leadership, time management and mentoring.
- RECBC joined the BC Public Service Pension Plan, replacing a defined contribution plan and provided employees with support and information to make personal financial decisions relating to the transition.
- RECBC partnered with Minerva BC to sign the [Diversity Pledge](#), committing to promote diversity, inclusion and foster the development of women leaders in the organization as well as sponsored three female leaders in the Women Leading the Way program
- RECBC continued to optimize its employee performance framework with clear goals and accountabilities that align with operational priorities and pay for performance.
- RECBC developed and launched an internal communications strategy, including employee-facing intranet to ensure that all employees have ready access to up-to-date information to support them to succeed in their roles.

Performance Measure(s)	2018/19 Baseline	2019/20 Forecast	2019/20 Actuals	2020/21 Target	2021/22 Target
1.2 Level of employee engagement ¹	76% ²	Maintain or increase from prior year	84% ³	Maintain or increase from prior year	Maintain or increase from prior year

¹Data source: Great Place to Work™ survey results. RECBC conducts full employee engagement surveys biennially. In alternating years, results are drawn from an employee “pulse check” using a sub-set of questions from the full Great Place to Work™ survey. Results are accurate within +/- 5%.

²Great Place to Work™ survey result March 2019.

³Results of the December 2019 “pulse check” survey using a sub-set of questions tied to biggest areas of opportunity from the full Great Place to Work™ survey.

Discussion of Results

RECBC successfully implemented measures to build a culture of service excellence and an engaged and motivated workforce following its first annual employee survey which garnered a 90% employee response rate. A follow-up “pulse check” survey was conducted in December 2019 and resulted in an increased response rate of 96%, capturing the 24-employee increase RECBC experienced since the original survey.

In 2019/20, RECBC focused on employee engagement and human resources practices to promote collaboration and employee satisfaction, ensuring employees are invested in and accountable for implementing our strategic priorities and receive the training and support to increase their skills, expand their knowledge and develop their careers. To improve its capacity to delivery effective regulatory services, RECBC expanded its workforce during the reporting period from 76 to 100 while maintaining licence fees, and reduced attrition from 49% in 2018/19 to 1.5% in 2019/20.

Goal 2: Consumers and real estate professionals have the information and resources they need to participate effectively in real estate transactions¹

Objective 2.1: Increase the availability of consumer resources to support informed real estate decisions

Key Highlights

- RECBC launched and promoted a new consumer-focused website featuring expanded consumer resources and increased visual appeal to build public awareness.

¹ As part of its focus on promoting professionalism in the real estate industry, RECBC has adopted the use of the term “real estate professional” to refer to individuals licensed to provide real estate services. This term replaces the term “licensee” used in previous Service Plans and Reports.

- RECBC developed and launched social media channels, building audiences and followings on Twitter, Facebook, LinkedIn through regular postings to increase awareness of its services and resources for real estate consumers.
- RECBC developed a stakeholder engagement plan to seek and develop partnerships that facilitate consumer engagement.
- RECBC produced and released revised versions of mandatory consumer disclosure forms, including plain language consumer information on the risks of dual agency, conflicts of interest, and the benefits of representation. These and other key consumer resources were made available in translation: French, Spanish, Punjabi, Persian, and Chinese versions.
- RECBC developed resources and delivered targeted social media and online advertising campaigns to inform and educate real estate consumers.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
Percentage of consumers who feel informed and knowledgeable to participate effectively in a real estate transaction. ¹	70%	N/A	N/A	5% increase	NA

¹ Data source: Biennial consumer survey conducted by Insights West.

Discussion of Results

To ensure that real estate consumers are well-informed and feel empowered to make the decisions that are most appropriate for them, they need access to independent, relevant, accessible information that helps them to understand the process of a real estate transaction, and the risks and issues that may be encountered.

In 2019/20 RECBC invested in developing information for online and offline delivery to help consumers build the skills and knowledge they need to make sound real estate decisions, and to support real estate professionals to gain and maintain the professional knowledge to provide a high level of service.

RECBC saw a substantial increase in consumer engagement metrics, including higher traffic to consumer pages on our website, and steady growth of followers and engagement with content on our new social media accounts. Through stakeholder engagement and media relations initiatives, RECBC received increased levels of positive media attention, driving RECBC's exposure and referral to our online resources. Increased media exposure and promotion coincided with the development and relaunch in early 2020 of our website, newly developed with a consumer-focused design and emphasis on providing resources for consumers and real estate professionals to support informed real estate decisions. While the rise in consumer traffic may have also contributed to a higher volume of complaints and anonymous tips, it empowers consumers to come to RECBC for accurate and trusted information resources.

Objective 2.2: Increase the standard of education and resources provided to real estate professionals

Key Highlights

- Completed transition of the development and administration of regulatory education from the BCREA to RECBC, increasing RECBC’s oversight, control and direct involvement in content development and instruction of regulatory education, including Applied Practice, Legal Update, and other mandatory courses. As part of the transition, the acquisition of customized education software and other intellectual property related to providing professional education enabled the centralization of data and improved course administration by RECBC.
- In collaboration with OSRE, commenced a comprehensive review and update of RECBC’s key resources for real estate professionals and managing brokers, the Professional Standards Manual and Brokerage Standards Manual.
- Developed two new courses in the areas of Anti-Money Laundering and Ethics, increasing the current continuing education requirements for real estate professionals from two to three courses within the two-year licensing cycle
- Developed and published updated regulatory guidance on anti-money laundering and compliance with requirements under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.
- Engaged industry stakeholders through the RECBC Education Advisory Group to explore implementing a more formal apprenticeship model to enhance regulatory education.
- Introduced the *Professional Matters* webinar series for managing brokers, designed to support managing brokers by addressing regulatory changes and practice issues in today’s real estate industry. Webinar topics covered included: Teams, Agency and Advertising, Impacts of Cannabis Legalization, Rental and Trading Services, Disclosures for Trading Services and Rental Property Management.

Performance Measure(s)	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
2.2a Percentage of managing brokers who agree that RECBC education prepares real estate professionals for competent and professional practice ¹	87%	N/A	N/A	Maintain or increase from prior results	N/A

¹ Data Source: Biennial survey of managing brokers conducted by Insights West.

Discussion of Results

Managing brokers have attained a higher level of licensing, must be experienced practitioners, and are responsible for oversight of all real estate professionals at a real estate brokerage. They are thus well positioned to assess the competency of real estate professionals under their supervision. The first survey to establish a baseline indicator of agreement by managing brokers

of the degree to which regulatory education prepares real estate professionals for competent practice was conducted in 2018/19 and establishes a baseline from which to project targeted increases for the coming years.

Goal 3: RECBC is a Trusted Regulatory Authority

Objective 3.1: Raise awareness of RECBC’s mandate and strengthen relationships with stakeholders

Key Highlights

- Participated in consultations and working groups at provincial and federal governmental levels on regulatory and consumer protection issues, including Expert Panel on Housing Supply, Federal/Provincial Anti-Money Laundering Working Group, Land Title and Survey Authority.
- Engaged with stakeholders through RECBC Advisory Groups (including Trading Services Advisory Group, Strata Management Services Advisory Group, Education Advisory Group) to receive input from industry experts on proposed changes to practice standards, opportunities to improve RECBC service delivery, and track emerging regulatory issues.
- Conducted consumer focus tests measuring awareness levels among members of the public regarding RECBC’s role and mandate and developed a public relations strategy to increase awareness and engagement.
- Participated in stakeholder engagement led by the Insurance Bureau of Canada’s Commercial Task Force in relation to rising insurance costs for strata corporations.
- With input from OSRE, developed *Sanction Guidelines* to assist discipline committees in determining appropriate penalties for individuals found liable of professional misconduct and increase awareness among stakeholders of the basis for penalties and remedial orders made by RECBC.
- Developed a *Guide to RECBC’s Consent Order Process*, to increase transparency and ensure that members of the public and real estate professionals understand the procedures and policies for consent orders, consent order proposals and the proceedings of RECBC’s Consent Order Review Committee.
- Awarded annual Real Estate Endowment Fund awards to business and real estate program students at UBC, SFU and BCIT who demonstrate good corporate citizenship, integrity, and ethics.

Performance Measure(s)	2018/19 Baseline	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
3.1 Percentage of recent real estate consumers who are aware of RECBC’s mandate ¹	65%	N/A	N/A	Maintain or increase from prior results	N/A

Data Source: Biennial consumer survey conducted by Insights West.

Discussion of Results

This performance measure is tracked through a survey of recent real estate consumers conducted by a third-party research firm every two years. Surveying consumers every second year allows for sufficient time to analyze results and implement measures to improve future results.

Through ongoing engagement and collaboration with OSRE and BCFSA, as well as industry stakeholders, government, and key consumer groups, we have continued to build support and recognition of our role as a consumer-focused regulator of licensed real estate professionals, and a source of accurate, impartial real estate information as we move towards becoming a single regulator in 2021.

Objective 3.2: RECBC will work with OSRE and other partners to address market conduct and consumer risks

Key Highlights

RECBC exceeded its targeted performance measure for this objective, as a result of the following successful strategies and actions:

- Collaborated with OSRE and the Ministry of Finance on policy initiatives to review the role of managing brokers in real estate regulation and the ethical conduct and standards of real estate professionals.
- Developed and implemented a memorandum of understanding with OSRE to expand RECBC's investigative capacity, based on the Superintendent's investigative authority of real estate professionals in cases where the conduct may be seriously detrimental to the public interest.
- In collaboration with OSRE and key stakeholders, introduced updated guidance for real estate professionals on the exemption to the ban on dual agency for remote areas and consumer information to build awareness of the risks relating to conflicts of interest and dual agency.
- Launched *Anti-Money Laundering in Real Estate*, Canada's first mandatory anti-money laundering course for real estate professionals. Conducted a sustained marketing and awareness campaign resulting completion of the course by more than 10,000 real estate professionals by end of March 2020.
- Developed targeted awareness campaigns for consumers and real estate professionals about emerging risks, including challenges to real estate transactions and services during the COVID-19 public health emergency.

Performance Measure(s)	2017/18 Baseline	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target	2021/22 Target
3.2a Number of people who access RECBC Advisory Notices online ¹	4,676 Baseline	32% increase	5% increase	10% increase	Maintain or increase from prior year	Maintain or increase from prior year

¹Data Source: RECBC website analytics (note that 2017/18 is a 9-month fiscal period).

Discussion of Results

RECBC measures success by demonstrating annual increases in the number of visits to consumer advisory information available on our website about emerging risks and RECBC’s guidance on ways to prevent or reduce the likelihood of harm.

Through collaboration with OSRE, as well as engagement with industry stakeholders, government and consumers, we have built on and expanded recognition of our role as a consumer-focused regulator of licensed real estate professionals, and a source of accurate, impartial real estate information.

Significant increases in numbers of visitors to RECBC’s online consumer advisory information in 2018/19 were partly attributable to changes in regulatory requirements that gained widespread media attention, resulting in an overall increase in website traffic. In 2019/20, the introduction of a new consumer-focused RECBC website, along with the publication of advisories relating to real estate transactions during the COVID-19 public health emergency led to further gains in numbers of site visits.

Objective 3.3: Implement measures to strengthen enforcement of conduct requirements for real estate professionals and increase consumer protection

Key Highlights

- Signed a memorandum of understanding with FINTRAC to cooperate and share information to facilitate anti-money laundering enforcement activities in British Columbia’s real estate sector – becoming the first provincial real estate regulator to partner with Canada’s financial intelligence unit.
- Worked with input from FINTRAC to develop the mandatory *Anti-Money Laundering in Real Estate* course and ensure that brokerages understand their anti-money laundering requirements.
- Enhanced RECBC’s brokerage audits (office records and inspection program) to provide more education for managing brokers on best practices for brokerage policy and records management.
- Conducted a survey of managing brokers on audit performance.
- Transitioned to online audit workbooks, eliminating paper files and streamlining audit processes as part of continuous business process improvement.

Performance Measure(s)	2019/20 Baseline	2020/21 Target	2021/22 Target	2022/23 Target
3.3 Percentage of audits that do not result in administrative penalties or disciplinary proceedings. ¹	92%	Maintain or increase from prior year	Maintain or increase from prior year	Maintain or increase from prior year

¹Data Source: RECBC audit tracking system.

Discussion of Results

RECBC measures the effectiveness of initiatives to increase compliance by brokerages by tracking the number of audits that do not result in administrative penalties or disciplinary proceedings against the brokerage. RECBC has established a baseline of audits not resulting in penalties or discipline proceedings in 2019/20, from which to project targeted increases for the coming years. These targets will be included in future service plans and reviewed and adjusted as required.

Rules came into effect in late 2017 that currently enable RECBC to apply administrative penalties for a limited range of infractions. RECBC and OSRE have developed changes to administrative penalties for consultation in 2020 which, when implemented will significantly impact the application of penalties and RECBC's ability to resolve discipline matters more transparently and efficiently.

Financial Report

The Real Estate Council of BC (RECBC) does not receive taxpayer funding. Key activities described in this 2019/20 Annual Service Plan Report were primarily funded through licensing assessment fees which are gathered biennially from the more than 25,000 individuals and brokerages we license and regulate. The transition of the delivery of mandatory licensing education program from BCREA to RECBC in October 2019 resulted in additional staff and operating costs funded by a return of surplus funds from BCREA and increased course fee revenue in 2019/20. A small portion of our revenue in 2019/20 was derived from enforcement sanctions, and as is required under the *Real Estate Services Act* was directed to the internally-restricted Education Fund, which was used to support licensee and consumer engagement initiatives, including the development of the new consumer-focused website, updates to consumer disclosure forms, comprehensive review of regulatory practice guidance materials, course development costs, and instructor fees.

RECBC's budget includes fees collected and remitted on behalf of the Superintendent of Real Estate, the Real Estate Errors and Omissions Insurance Corporation (REEOIC), and the Real Estate Compensation Fund Corporation (RECFC). RECBC expenditures are divided between investigative functions (compliance department and a portion of audit and legal expenses, excluding salaries) and administrative and other costs (education, communications, legal, audit and professional advisory services).

Highlights

This discussion of financial position and results of operations of RECBC should be read in conjunction with our audited consolidated financial statements for the year ended March 31, 2020.

RECBC is the provincial crown agency responsible for protecting consumers by licensing and regulating real estate professionals providing trading services, rental property management services, and strata management services. Results include the consolidated financials of the Real Estate Errors and Omissions Corporation (REEOIC), a government business entity controlled by RECBC. The impacts of the audited financial statement of the REEOIC investment are significant and directly affect the accumulated remeasurement gains (losses) recognized annually by RECBC.

Together with REEOIC the accumulated surplus is \$33,689K, an increase of \$2,323K over the previous year. This is comprised of \$34,417K for the operating surplus and a loss of \$728K for the remeasurement gains and losses as a result of the consolidation with REEOIC as at March 31, 2020.

Although not specifically identified on the consolidated statement of financial position, the RECBC accumulated surplus, without REEOIC, is \$8,195K.

Financial Summary

\$0	2018/19 Actual	2019/20 Budget ⁹	2019/20 Actual	2019/20 Variance
Revenue				
Licence Fees ¹	1,100	1,176	1,069	-107
Assessment Fees ¹	9,809	10,115	9,577	-538
Course Fee ²	1,301	869	3,613	2,744
Other Interest and Investment Income (net) ³	234	-213	686	899
Total Revenue	12,444	11,947	14,945	2,998
Expenses				
Operational & Administration ⁴	8,724	9,843	12,016	2,173
Investigative ⁴	999	1,086	991	-95
Other ⁵	907	1,018	2,238	1,220
Total Expenses	10,630	11,947	15,245	3,298
Net Income	1,814	-	-300	-300
Total Liabilities ⁶	972	700	1,863	1,163
Capital Expenditures ⁷	1,339	375	1,556	1,181
Accumulated Surplus – ⁸	31,366	32,894	34,417	1,523

Note 1: No change in fees.

Note 2: 2019/20 includes administration of mandatory continuing education courses and surplus funds returned from BCREA.

Note 3: Includes deferred revenue from prior years to align with expenses incurred in 2019/20.

Note 4: Allocation of expenditures for 2018/2019 are reclassified to conform to the classifications used in the current year.

Note 5: Increased expenditures for mandatory continuing education course administration, salaries, rent, IT and depreciation.

Note 6: Increases due to deferred revenue for licence fees and assessments and education course fee revenue, staff vacation accruals and increase in accrued liabilities..

Note 7: Includes acquisition of online education platform and website updates.

Note 8: Change to investment in Controlled Entity REEOIC.

Note 9: Budget disclosed in the audited financial statements included with this Service Plan Report is based on the updated RECBC budget approved by Council in September 2019.

Note 10: The above financial information was prepared based on current Generally Accepted Accounting Principles.

Variance and Trend Analysis

RECBC does not receive taxpayer funding. Most of our revenue comes from licensing fees, education fees, and enforcement sanctions issued against real estate professionals under the *Real Estate Services Act*.

Licensing and Assessment Fee Revenue

RECBC collects licensing fees and assessment fees as outlined in its Bylaws under section 85 of the Real Estate Services Act. A licence fee of \$50 is collected to cover costs associated with licence issuance, while an additional licence fee of \$150 is collected on behalf of the Superintendent of Real Estate and remitted to that office. An assessment fee of \$500 is collected to cover operational expenses and for matters under the administration of RECBC. There were no changes to licensing and assessment fees in 2019/20.

RECBC collects licensing fees for: first time licensing applications and relicensing applications for individuals, personal real estate corporations, brokerages, branches, and sole proprietors; licence transfers or reinstatement applications; changes of licence level or category; and name changes.

Licensing and assessment fee revenue varies according to real estate market conditions. Licensing fee revenues in 2019/20 were \$1,069K.

Education Fee Revenue

RECBC receives a portion of education fees paid to the University of British Columbia, Sauder School of Business, Real Estate Division for pre-licensing education courses, mandatory continuing education courses, and remedial education courses. RECBC also received a portion of education fees paid to the BCREA for Applied Practice Course and mandatory continuing education courses up to September 30, 2019 and thereafter full fees as RECBC transitioned to be responsible for the Applied Practice Course and mandatory education courses.

Education revenue varies according to real estate market conditions and the numbers of new entrants to the real estate industry. In 2019/20, a new mandatory continuing education course was introduced, the Anti-Money Laundering in Real Estate course, delivered by the Real Estate Division, Sauder School of Business. Education revenues in 2019/20 were \$3,076K and there was a return of surplus funds of \$538K from the BCREA Applied Practice Course and Legal Update Course reserves.

Enforcement Sanction Revenue

RECBC collects sanctions relating to enforcement matters. Enforcement sanctions revenue includes administrative penalties and discipline penalties issued under the *Real Estate Services Act*. Sanction revenue may vary significantly between periods and is allocated to RECBC's Education Fund, to be spent for the purposes of educating real estate professionals and the general public about real estate transactions and the services to expect of licensed real estate professionals.

Total Operating Expenses

Employee compensation accounts for approximately 59% of operating expenses. Changes in RECBC's benefits and the adoption of the Public Sector Pension Plan, along with Employer Health Tax changes contributed to the increase in employee compensation as a percentage of operating expenses over the past year. RECBC competes for staff with law, accounting and audit firms, as well as with other regulators. Our compensation package includes performance-based salary increases. To remain competitive, we engaged in a total compensation review to ensure our salaries are comparable with other similar organizations.

We engage consultants when we need specialized services, primarily legal services in relation to prosecution of disciplinary matters. Other professional services costs in 2019/20 include technology consultants, HR recruitment fees and hearing transcription services.

Our offices are in downtown Vancouver. In 2019/20 we expanded our premises to accommodate our growing organization. Our 19,000 square feet of office space cost approximately \$27/sq. ft for 2019/20.

Risks and Uncertainties

RECBC maintains a business continuity plan to restore critical functions promptly in the event of a disaster or business disruptions.

Preparations for the planned amalgamation with OSRE and BCFSA in 2021 are anticipated to create additional demands on RECBC staff and may require increased expenditures in consultancy fees. RECBC is taking steps to mitigate this by re-allocating staff resources and re-prioritizing initiatives in order to address requirements of the amalgamation.

Fee revenue is inherently uncertain and volatility in real estate markets can cause licensing and education revenues to fluctuate. RECBC maintains approximately four months operating expenses as unrestricted surplus to fund operations and maintain \$2,428K of operating surplus in internally restricted funds.

Revenue from enforcement sanctions cannot be predicted and budget forecast assumptions are based on the volume of discipline files in the legal department and previous year actuals.

The REEOIC investments are impacted by investment returns, both realized (through sales, interest, or dividends) and unrealized (through fluctuations in market values). At March 31, 2020, the balance of unrealized losses for RECBC's investment in REEOIC, net of income taxes, was \$728K.

Auditor's Report



Suite 900-750 West Pender Street Vancouver, BC Canada V6C 2T8
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Management's Report

Management's responsibility for the financial statements

The financial statements have been prepared by management of the Real Estate Council of British Columbia (the "Council") in accordance with the Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercise this responsibility through the Finance and Audit Committee of the Council.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of the Council and meet when required. The accompanying Independent auditor's report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Council:

Elaine Duvall
Chair

Erin Seeley
Chief Executive Officer

Real Estate Council of British Columbia (established pursuant to *Real Estate Services Act* SBC 2004 CH 42)

www.recbc.ca



Independent Auditor's Report

To the Real Estate Council of British Columbia

To the Ministry of Finance:

Grant Thornton LLP
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Opinion

We have audited the consolidated financial statements of Real Estate Council of British Columbia ("RECBC"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated operating surplus, remeasurement gains, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of RECBC as at March 31, 2020, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of RECBC in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing RECBC's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate RECBC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the RECBC's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RECBC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RECBC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RECBC to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within RECBC to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Chartered Professional Accountants

Vancouver, Canada
May 19, 2020

Audited Financial Statements

Real Estate Council of British Columbia		
Consolidated Statement of Financial Position		
March 31	2020	2019
Financial assets		
Cash and cash equivalents	\$ 5,719,516	\$ 6,304,420
Investments (Note 3)	1,246,876	1,246,876
Investment in government business enterprise (Note 4)	25,493,902	22,871,433
Accounts and accrued interest receivable	336,937	286,625
	<u>32,797,231</u>	<u>30,709,354</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	905,934	389,257
Deferred revenue	775,958	207,300
Deferred contributions - Education (Note 6)	180,705	375,236
	<u>1,862,597</u>	<u>971,793</u>
Net financial assets	<u>30,934,634</u>	<u>29,737,561</u>
Non-financial assets		
Prepaid expenses	322,270	233,946
Tangible capital assets (Note 7)	2,431,720	1,394,575
	<u>2,753,990</u>	<u>1,628,521</u>
Accumulated surplus	<u>\$ 33,688,624</u>	<u>\$ 31,366,082</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 34,416,230	\$ 30,667,420
Accumulated remeasurement (losses) gains	(727,606)	698,662
	<u>\$ 33,688,624</u>	<u>\$ 31,366,082</u>

Commitments and contingency (Note 9)
Subsequent events (Note 15)

On behalf of RECBC



Chair



Chief Executive Officer

**Real Estate Council of British Columbia
Consolidated Statement of Operations and Accumulated
Operating Surplus**

	Budget	Year ended March 31, 2020	Year ended March 31, 2019
Revenue			
Licensing	\$ 1,175,760	\$ 1,069,152	\$ 1,100,415
Assessments	10,115,395	9,576,586	9,809,048
Return of Surplus Funds from BCREA	-	537,642	-
Course fees	3,864,500	3,075,786	1,301,100
Discipline penalties (Note 6)	292,000	499,431	147,094
Investment income and other	(213,400)	186,698	87,185
	<u>15,234,255</u>	<u>14,945,295</u>	<u>12,444,842</u>
Expenses (Note 14)			
Administrative expenses	10,824,154	12,015,540	8,724,086
Investigation expenses	1,095,751	991,371	998,780
Other expenses	3,314,350	2,238,311	907,071
	<u>15,234,255</u>	<u>15,245,222</u>	<u>10,629,937</u>
(Deficiency) excess of revenue over expenses	<u>\$ -</u>	(299,927)	1,814,905
Income (loss) from government business enterprise (Note 4)		<u>4,048,737</u>	<u>(393,614)</u>
Operating surplus		<u>3,748,810</u>	1,421,291
Accumulated operating surplus, beginning of year		<u>30,667,420</u>	29,246,129
Accumulated operating surplus, end of year		<u>\$ 34,416,230</u>	<u>\$ 30,667,420</u>

**Real Estate Council of British Columbia
Consolidated Statement of Remeasurement Gains**

	Year ended March 31, 2020	Year ended March 31, 2019
Accumulated remeasurement (losses) gains, beginning of year	\$ 698,662	\$ (83,895)
Other comprehensive (loss) income from government business enterprise (Note 4)	<u>(1,426,268)</u>	<u>782,557</u>
Accumulated remeasurement (losses) gains, end of year	<u>\$ (727,606)</u>	<u>\$ 698,662</u>

**Real Estate Council of British Columbia
Consolidated Statement of Changes in Net Financial Assets**

	Budget	Year ended March 31, 2020	Year ended March 31, 2019
Operating surplus	\$ -	\$ 3,748,810	\$ 1,421,291
Additions to tangible capital assets	(375,000)	(1,555,678)	(1,338,949)
Amortization of tangible capital assets	306,000	518,533	236,024
Change in prepaid expenses	-	(88,324)	(17,641)
Net remeasurement (loss) gains	-	(1,426,268)	782,557
Increase in net financial assets	<u>\$ (69,000)</u>	<u>1,197,073</u>	<u>1,083,282</u>
Net financial assets, beginning of year		<u>29,737,561</u>	<u>28,654,279</u>
Net financial assets, end of year		<u>\$ 30,934,634</u>	<u>\$ 29,737,561</u>

**Real Estate Council of British Columbia
Consolidated Statement of Cash Flows**

	Year ended March 31, 2020	Year ended March 31, 2019
Cash derived from (applied to)		
Operating activities		
Operating surplus	\$ 3,748,810	\$ 1,421,291
Adjustments for items not affecting cash		
Amortization of tangible capital assets	518,533	236,024
(Income) loss from government business enterprise	<u>(4,048,737)</u>	<u>393,614</u>
	218,606	2,050,929
Changes in non-cash working capital items		
Accounts and accrued interest receivable	(50,312)	(132,605)
Prepaid expenses	(88,324)	(17,641)
Accounts payable and accrued liabilities	516,677	171,612
Deferred revenue	568,658	(285,115)
Deferred contributions - Education	<u>(194,531)</u>	<u>204,532</u>
	<u>970,774</u>	<u>1,991,712</u>
Investing activities		
Purchase of investments	-	643,183
Purchase of tangible capital assets	<u>(1,555,678)</u>	<u>(1,338,949)</u>
	<u>(1,555,678)</u>	<u>(695,766)</u>
Net (decrease) increase in cash	(584,904)	1,295,946
Cash and cash equivalents, beginning of year	<u>6,304,420</u>	<u>5,008,474</u>
Cash and cash equivalents, end of year	<u>\$ 5,719,516</u>	<u>\$ 6,304,420</u>

Real Estate Council of British Columbia Notes to the Consolidated Financial Statements

March 31, 2020

1. Nature of operations

The Real Estate Council of British Columbia ("RECBC") is a provincial Crown corporation established by the British Columbia provincial government. Its mandate is to protect the public interest by enforcing the licensing and licensee conduct requirements of the *Real Estate Services Act* (the "Act").

RECBC is responsible for licensing individuals and brokerages engaged in real estate sales, rental and strata property management. RECBC also enforces entry qualifications, investigates complaints against licensees and imposes disciplinary sanctions under the Act.

Pursuant to section 149(1) (1) of the *Income Tax Act* (Canada), RECBC qualifies as a non-profit organization and is exempt from income taxes.

On November 12, 2019 Minister of Finance Carole James announced the Province's intention to move towards a single regulator model for the financial services sector, including real estate.

The move to a single regulator will see the Office of the Superintendent of Real Estate (OSRE) and RECBC integrated within the BC Financial Services Authority (BCFSA). The roll out of an integrated real estate and financial services sector regulator will require legislative change and it is anticipated to be finalized for spring 2021.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") established by the Canadian Public Sector Accounting Board.

Controlled entities

RECBC controls the Real Estate Compensation Fund Corporation ("RECFC") since it has the ability to appoint the majority of its board members. RECFC provides protection for members of the public who have entrusted real estate licensees (or unlicensed individuals related to the brokerage) with money that was either misappropriated or wrongfully converted; intentionally not paid over or accounted for; or obtained by the fraud of a licensee or individual.

The funds administered by the RECFC under the Act meet the definition of a trust under administration and are not included in RECBC's financial statements. At March 31, 2020, the balance of trust net assets was \$17,598,289 (2019 - \$17,724,505). The RECFC's transactions RECBC are disclosed in Note 12.

Real Estate Council of British Columbia
Notes to the Consolidated Financial Statements

March 31, 2020

2. Summary of significant accounting policies (continued)

Investment in government business enterprise

Real Estate Errors and Omissions Corporation ("REEOIC") is a government business enterprise ("GBE") controlled by RECBC. REEOIC is a special act corporation incorporated as a corporation without share capital under the Real Estate Services Act. REEOIC is taxable under the Income Tax Act (Canada). REEOIC pools the insurance premiums paid by real estate licensees in a fund that is used to pay the costs of defending and indemnifying licensees against professional liability claims.

The investment in government business enterprise is accounted for by the modified equity method. Under this method, RECBC accounts for its investment using the equity method of accounting such that it is not modified to adjust the government business enterprise's accounting policies to conform with those of the RECBC.

If the government business enterprise has other comprehensive income, it is accounted for within the consolidated statement of remeasurement gains. Inter-organizational transactions and balances have not been eliminated, except for any profit or loss on transactions between entities on assets that remain within the entities controlled by the RECBC.

Revenue recognition

RECBC collects licence and assessment fees for a two year period in advance. These fees are recognized as revenue in the period received because RECBC has no continuing obligations with respect to the fees and does not refund licence and assessment fees. Licence and assessment fees received in the current period that relate to the subsequent period are recorded as deferred revenue.

Course fees are recorded as revenue when the service is provided and if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions and discipline penalties are recorded as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment and other income is recorded as revenue as it is earned.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period. Actual results may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents includes all balances held at banks excluding any overdraft amounts, and all highly liquid financial instruments purchased with an original maturity of three months or less. Cash equivalents consist of money invested in a term deposit and are recorded at cost plus accrued interest, which approximates market value.

Real Estate Council of British Columbia
Notes to the Consolidated Financial Statements

March 31, 2020

2. Summary of significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their expected useful lives as follows:

Website development	2 years
Education platform	4 years
Computer equipment	4 years
Office equipment	5 years
Leasehold improvements	term of the lease plus one renewal period, being 15 years

Financial instruments

RECBC's financial instruments consist of cash and cash equivalents, investments, accounts and accrued interest receivable, and accounts payable and accrued liabilities. Financial assets and financial liabilities are initially measured at fair value and subsequently at amortized cost.

Unrealized gains and losses from changes in the fair value of financial instruments held by the government business enterprises are recognized in the statement of remeasurement gains until such time as the financial instrument is derecognized due to disposal. At the time of derecognition, the related realized gains and losses are recognized in the consolidated statement of operations and accumulated operating surplus and are reversed from the consolidated statement of remeasurement gains.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations.

3. Investments	2020	2019
GICs at 1.90% and 2.91% (2019: 1.90% to 2.91%) maturing between October 5, 2020 and February 16, 2023	\$ 1,246,876	\$ 1,246,876

Real Estate Council of British Columbia
Notes to the Consolidated Financial Statements

March 31, 2020

4. Investment in government business enterprise

Condensed financial information for the government business enterprise that is part of RECBC's reporting entity are as follows:

Statement of financial position	<u>2020</u>	<u>2019</u>
Total assets	\$ 64,674,311	\$ 60,369,857
Total liabilities	39,180,409	37,498,424
Equity	25,493,902	22,871,433
Statement of operations	<u>Year ended March 31, 2020</u>	<u>Year ended March 31, 2019</u>
Revenue	\$ 10,840,373	\$ 10,807,316
Expenses	(7,493,106)	(13,041,660)
Other income	2,078,751	1,526,133
Earnings before income taxes	5,426,018	(708,211)
Income tax expense (recovery)	1,377,281	(314,597)
Net earnings	4,048,737	(393,614)
Other comprehensive (loss) income	(1,426,268)	782,557
Net earnings and other comprehensive income	\$ 2,622,469	\$ 388,943

In fiscal 2020, RECBC charged a fee of \$83,045 (2019 - \$81,070) to REEOIC with respect to fees collected on REEOIC's behalf.

Total liabilities include \$5,965 (2020 - \$5,080) payable to the RECBC.

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of \$1,376 (2019 - \$37,000).

6. Deferred contribution – Education

In compliance with Section 43(2)(i) of the *Real Estate Services Act*, when the discipline committee determines that a licensee has committed professional misconduct or conduct unbecoming a licensee the discipline committee may require the licensee to pay a discipline penalty in an amount of (i) not more than \$500,000, in the case of a brokerage or former brokerage, or (ii) not more than \$250,000, in any other case. Under Section 44 of the *Real Estate Services Act*, money received by RECBC on account of a discipline penalty under Section 43 (2) (i) may be expended by RECBC only for the purpose of educating the public and licensees and other participants in the real estate industry in British Columbia about the operation and regulation of the industry and issues related to real estate and real estate services.

Real Estate Council of British Columbia
Notes to the Consolidated Financial Statements
 March 31, 2020

6. Deferred contribution – Education (continued)

The restricted contributions related to discipline penalties are as follows:

	2020	2019
Balance, beginning of year	\$ 375,236	\$ 170,704
Discipline penalties received	304,900	351,626
Expenditures	(499,431)	(147,094)
Balance, end of year	\$ 180,705	\$ 375,236

7. Tangible capital assets

	Computer Equipment	Office Equipment	Leasehold Improvements	Website Development	Education Platform	Total
Cost						
Balance, March 31, 2019	\$ 559,637	\$ 642,724	\$ 639,648	\$ -	\$ -	\$ 1,842,009
Additions	423,076	196,484	121,863	269,703	544,552	1,555,678
Disposals	-	-	-	-	-	-
Balance, March 31, 2020	982,713	839,208	761,511	269,703	544,552	3,397,687
Accumulated depreciation						
Balance, March 31, 2019	238,391	122,502	86,541	-	-	447,434
Depreciation	166,531	141,896	51,921	67,426	90,759	518,533
Disposals	-	-	-	-	-	-
Balance, March 31, 2020	404,922	264,398	138,462	67,426	90,759	965,967
Carrying amount, March 31, 2019	321,246	520,222	553,107	-	-	1,394,575
Carrying amount, March 31, 2020	\$ 577,791	\$ 574,810	\$ 623,049	\$ 202,277	\$ 453,793	\$ 2,431,720

Real Estate Council of British Columbia
Notes to the Consolidated Financial Statements
 March 31, 2020

8. Accumulated operating surplus

RECBC has set aside the following amounts in the accumulated operating surplus to be used for the purposes noted below:

	Balance, beginning of year	Operating surplus	Transfers	Balance, end of year
Internally restricted				
Technology fund (a)	\$ 453,395	\$ -	\$ 3,823	\$ 457,218
Legal defence fund (general) (b)	453,395	-	3,823	457,218
Legal defence fund (special compensation fund) (b)	150,994	-	1,116	152,110
Enforcement fund (c)	503,810	-	4,299	508,109
Education fund (d)	854,088	-	-	854,088
Unrestricted	6,078,967	(299,927)	(13,061)	5,765,979
Government business enterprise	22,172,771	4,048,737	-	26,221,508
Total accumulated operating surplus	\$ 30,867,420	\$ 3,748,810	\$ -	\$ 34,416,230

(a) Technology Fund

The Technology Fund is to be used for investing in new technology that would increase efficiency and improve services to real estate consumers and licensees.

(b) Legal Defence Funds

The Legal Defence Fund is to be used to pay, on behalf of RECBC, its members or employees (collectively, the "Party"), all sums which the Party becomes liable to pay as compensating damages arising out of a claim made against the Party by a member of the public, a member of RECBC, or an employee of RECBC alleging a Wrongful Act, or made against the Party because of the Party's status as a Council member or an employee thereof, provided that, in either situation, the claim relates solely to the performance by the Party of services as a member or employee of RECBC in their capacity with RECBC. The maximum amount to be paid by the Legal Defence Fund – General is \$100,000 for each claim regardless of the number of parties.

There is also a separate Legal Defence Fund – Special Compensation Fund for \$150,000 for the potential defence of claims related to the Real Estate Compensation Fund Corporation.

(c) Enforcement Fund

The Enforcement Fund is to be used to pay any unusual enforcement expenses such as receivers, special investigators, forensic accounting or other unforeseen costs that result from Orders in urgent circumstances, trust account defalcations, or other significant enforcement actions.

(d) Education Fund

The Education Fund was funded by a \$500,000 transfer of licensing course revenue surplus from the British Columbia Real Estate Association (BCREA) in fiscal 2017 and an allocation of relicensing education course fees, New Rules (UBC) for \$354,088 in fiscal 2019.

Real Estate Council of British Columbia
Notes to the Consolidated Financial Statements
 March 31, 2020

9. Commitments and contingency

(a) RECBC has lease commitments for its office premises it occupies. Base rent is estimated as follows:

2021	\$	498,883
2022		512,677
2023		526,471
2024		540,265
2025		554,059
Thereafter		<u>5,264,710</u>
	\$	<u>7,897,065</u>

In addition to base rent, RECBC is responsible for paying its portion of operating costs.

(b) RECBC may, from time to time, be subject to claims and legal proceedings brought against it in the normal course of business. Such matters are subject to many uncertainties. Management believes that adequate provisions have been made in the financial statements where required and the ultimate resolution of such contingencies will not have a material adverse effect on the financial position of RECBC.

10. Financial instruments

At March 31, 2020, the financial assets measured at amortized cost totalled \$7,303,329 (2019 – \$7,837,921).

At March 31, 2020, the financial liabilities measured at amortized cost totalled \$905,934 (2019 - \$389,257).

Interest rate risk

RECBC manages any interest rate risk exposure of its fixed income investments by using a laddered portfolio with varying terms of maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations. RECBC did not hold any investments in equity securities at March 31, 2020.

Currency risk

RECBC does not hold any investments denominated in foreign currencies; therefore, it is not exposed to any currency risk.

Credit and market risk

RECBC has an investment policy that restricts the types and amounts of its eligible investments and requires dealing with highly rated counterparties. Risk and volatility of investment returns are mitigated through investing in only government bonds and Guaranteed Investment Certificates (GICs).

Real Estate Council of British Columbia
Notes to the Consolidated Financial Statements

March 31, 2020

11. Real Estate Foundation of BC

The mission of the Real Estate Foundation of BC (the "Foundation") is to transform land use attitudes and practices through innovation, stewardship and learning. RECBC is related to the Foundation by common control by the Province of BC and the ability to appoint 1 of the 7 members of the Board of the Foundation. There are no transactions between the RECBC and the Foundation.

12. Related party transactions and balances

In fiscal 2020, RECBC charged a fee of \$10,975 (2019 - \$13,240) to the RECFC for revenue collected on their behalf with respect to the compensation fund. RECBC controls the RECFC since it has the ability to appoint the majority of its board members.

As of 2020, the RECFC has a payable to RECBC of \$1,515 (2019 - \$2,720).

During the year, RECBC collected licence fees of \$3,207,476 (2019 - \$3,247,994) on behalf of the Office of Superintendent of Real Estate, a regulatory agency of the BC government. These amounts have not been included in the statement of operations.

13. Pension plan

To December 31, 2019, RECBC contributed to a defined contribution pension plan administered by Sun Life Financial for all staff that have been employed for more than 1 year. RECBC contributes 7% of regular staff salaries to the plan on a monthly basis. RECBC expense for the 2020 fiscal period was \$231,710 (2019-\$222,218). The final contributions to this plan were up to December 31, 2019.

Beginning January 1, 2020, RECBC and its employees started contributing to the Public Service Pension Plan, which is a multiemployer jointly trustee plan. The plan is a defined benefit plan, providing pension on retirement based on the member's age of retirement, length of service and highest earnings averaged over five years. The board of trustees of the plan represents plan members and employers and is responsible for the management of the plan including investment of the assets and administration of the plan.

The most recent actuarial valuation for the Public Service Pension Plan as at March 31, 2017 indicated a \$1,896 million funding surplus for basic pension benefits.

The plan is accounted for as a defined contribution plan. RECBC contributes 9.85% of regular staff salaries to the plan. During the year RECBC paid \$164,870 (2019 - \$nil)

Real Estate Council of British Columbia
Notes to the Consolidated Financial Statements
 March 31, 2020

14. Expenses by object

	Year ended March 31, 2020	Year ended March 31, 2019
Amortization of tangible capital assets	\$ 518,533	\$ 236,024
Council members honorariums/committee meeting fees	162,350	181,048
Conference	35,756	68,726
Court reporter services	-	13,528
Dues, subscriptions and publications	121,231	97,905
Education programs	1,235,906	-
Education/research grants awarded	99,175	147,478
Electronic communication	625,709	450,923
Equipment maintenance	73,928	49,593
Forensic investigation/receiverships	11,421	28,422
Insurance	13,869	10,503
Media and public relations	97,368	118,209
Office rent and operating costs, net	1,036,274	838,382
Postage, mailing and delivery	48,102	47,255
Printing and stationery	118,436	92,438
Professional services	1,571,032	1,354,992
Salaries	9,006,364	6,521,097
Spot audits	42,763	22,996
Telephone	86,567	59,685
Travel and accommodation	130,350	158,138
Travel and hearing recovery	(43,250)	(115,520)
Visa and bank charges	253,338	248,115
	<u>\$ 15,245,222</u>	<u>\$ 10,629,937</u>

15. Subsequent events

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our operations are not known at this time. These impacts could include potential future decreases in revenue and the value of investments held by RECBC's controlled government business enterprise. Management is closely monitoring the evolving situation and taking measures to mitigate potential negative impacts to RECBC.

16. Comparative figures

Certain of the comparative figures have been reclassified to conform to the classifications used in the current year.

Appendix A: Additional Information

Organizational Overview

Information about RECBC's operating environment can be found at:

<https://www.recbc.ca/about-us>.

This includes links to information about:

- RECBC's mandate
- Core business areas and goals

The *Real Estate Services Act*, the enabling statute for RECBC, is available here:

<https://www.recbc.ca/public-protection/legislation-policies>

Corporate Governance

Information about RECBC's Corporate Governance can be found at:

<https://www.recbc.ca/about-us/governance>

This includes links to information regarding:

- Council members
- Council committees and advisory groups
- Executive Team

Public Reviews of Real Estate Regulation

[Real Estate Regulatory Structure Review, September 2018](#)

[Report of the Independent Advisory Group on Conduct and Practices in the Real Estate Industry in British Columbia, June 2016](#)

Related Organizations

Information about the Real Estate Compensation Fund Corporation can be found at:

<https://www.recbc.ca/about/ar.html>

Information about the Real Estate Errors and Omissions Corporation can be found at:

<https://www.reeoic.com/>

Information about the Office of the Superintendent of Real Estate can be found at:

<https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/central-government-agencies/office-of-the-superintendent-of-real-estate>

Contact Information

Real Estate Council of BC
Suite 900 – 750 West Pender Street
Vancouver, BC
V6C 2T8

Phone: 604-683-9664 | 1-877-683-9664 | Email: info@recbc.ca | Website: www.recbc.ca



387577

January 14, 2020

Elaine Duvall, Chair
Real Estate Council of British Columbia
900 - 750 West Pender Street
Vancouver, B.C. V6C 2TB

Dear Ms. Duvall:

I would like to extend appreciation on behalf of Premier Horgan and the Executive Council for your dedication, and that of your board members, in leading your organization and helping government deliver on our priorities to British Columbians.

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

Every public sector organization is accountable to the citizens of British Columbia. The expectations of B.C. citizens are identified through their elected representatives, the members of the Legislative Assembly.

This mandate letter, which I am sending in my capacity as Minister responsible for the Real Estate Council of BC, on behalf of the Executive Council, communicates those expectations for your agency. It sets out overarching government priorities that will inform your agency's policies and programs, as well as specific direction on priorities and expectations for the coming fiscal year.

Our goal is to build a strong, sustainable economy that works for everyone. We are committed to working with you and other Crown Agencies to provide quality, cost-effective services to British Columbia families and businesses. By adopting the Gender-Based Analysis Plus (GBA+) lens

.../2

and Framework for Improving British Columbians' Standard of Living to policy development, we will ensure that equity is reflected in government budgets, policies and programs. You are encouraged to apply the GBA+ lens in your Crown Agency operations and programs. In the same vein, appointments to agencies, boards and commissions reflect government's direction to promote equity and leadership at senior levels in the public and private sectors, with a view to building strong public sector boards that reflect the diversity of British Columbia.

Two key priorities that will underpin lasting prosperity are advancing reconciliation with Indigenous Peoples and moving towards a low-carbon economy.

In November 2019, government passed the *Declaration on the Rights of Indigenous Peoples Act* which represents a crucial step towards true and lasting reconciliation. In keeping with the Calls to Action of the Truth and Reconciliation Commission, the Act was developed in collaboration with the First Nations Leadership Council to create a framework for reconciliation in B.C. All Crown Agencies are expected to incorporate the *Declaration on the Rights of Indigenous Peoples Act* and Calls to Action of the Truth and Reconciliation Commission within their specific mandate and context.

Announced in December 2018, the CleanBC plan puts our province on the path to a cleaner, better future – with a low-carbon economy that creates opportunities while protecting our clean air, land and water. As part of the new accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization plans to align operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk. Please be prepared to work with government to report out on these plans and activities.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2020/21. This will include online training modules and in-person conferences, as government works to support strong public sector boards that reflect the diversity of British Columbia.

As the Minister responsible for the Real Estate Council of BC, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2020/21 Service Plan:

- Continue to work with the Superintendent of Real Estate, the Ministry of Finance Policy and Legislation Division, and the BC Financial Services Authority (BCFSA) to establish a single regulator of real estate licensees within the BCFSA.

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- Improve the time to disposition for the investigation of complaints against licensees, continue to reduce any backlog of complaints and process new licensee applications on a timely basis.
- Work with the Superintendent of Real Estate and Ministry of Finance Policy and Legislation Division to address market conduct of licensees and support the Office of the Superintendent of Real Estate in ensuring rules are appropriately implemented, including specific attention to anti-money laundering and reporting suspicious transactions.
- Work collaboratively with government as it improves the effectiveness of B.C.'s Anti-Money Laundering Regime.

Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2020.

I look forward to continuing to work with you and your Board colleagues to build a better B.C.

Sincerely,



Carole James
Minister and Deputy Premier



Marian (Elain) Duvall, Chair
Real Estate Council of British Columbia



Robert Gialloredo, Vice Chair
Real Estate Council of British Columbia



Linda Allen, Council Member
Real Estate Council of British Columbia



Karen Ameyaw, Council Member
Real Estate Council of British Columbia

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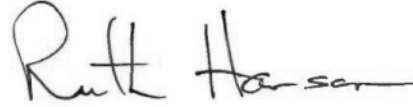
Yasin Amlani, Council Member
Real Estate Council of British Columbia



Magdaline Chan, Council Member
Real Estate Council of British Columbia



Blaire Chisholm, Council Member
Real Estate Council of British Columbia



Ruth Hanson, Council Member
Real Estate Council of British Columbia



Sandra Heath, Council Member
Real Estate Council of British Columbia



Len Hrycan, Council Member
Real Estate Council of British Columbia



Catherine Ludgate, Council Member
Real Estate Council of British Columbia



Neal Nicholson, Council Member
Real Estate Council of British Columbia



Sukhmander Sidhu, Council Member
Real Estate Council of British Columbia



Michael Walker, Council Member
Real Estate Council of British Columbia

cc: Honourable John Horgan
Premier

Don Wright
Deputy Minister to the Premier and Cabinet Secretary

Lori Wanamaker
Deputy Minister
Ministry of Finance

Heather Wood
Associate Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Micheal Noseworthy
Superintendent of Real Estate
Office of the Superintendent of Real Estate

BRIEFING NOTE
AGENCIES/BOARDS/COMMISSIONS

Name: Insurance Council of BC

Legislative Authority: Under the Authority of the *Financial Institutions Act* (FIA), the Insurance Council regulates insurance agents, salespersons, and adjusters in BC with the overall goal of public protection.

Mandate:

The Insurance Council is responsible for:

- Licensing: The Council sets qualification standards to ensure all insurance licence applicants are suitable for licensing by demonstrating they are competent, trustworthy, financially reliable, and intend to carry on the business of insurance in good faith and in accordance with the usual practice.
- Education and Experience: The Council ensures education requirements for licensing meet the minimum standards necessary to protect the public.
- Discipline and Enforcement: The Council investigates complaints and, where warranted, disciplines licensees when there has been a breach of the *Financial Institutions Act*, or the Insurance Council Rules and Code of Conduct.

Current Appointees:

The council consists of 11 voting members who are OIC appointments and an unlimited number of non-voting members whom the minister may appoint. Under the FIA there are six categories of appointments, and there must be 2 OIC appointments from each (with the exception of category E “licensed insurance adjusters,” of which there is only 1 OIC appointment).

Category A: Officers or Employees of Life Insurers

- Terence Robert Ray, term expires September 1, 2022 (Voting Member)
- Donna Christine Thorne, term expires September 30, 2023
- Jeny Yeung, term expires September 30, 2023
- Peter Anthony Jong, term expires September 30, 2023

Category B: Officers or Employees of General Insurers

- Frank Leong, term expires April 16, 2021 (Voting Member)
- Linda Winnifred Lee, term expires May 14, 2021 (Voting Member)
- Anne Frances Barnes, term expires September 30, 2021
- Husanjit (Anita) Gill, term expires September 1, 2021
- Garth G. Young, term expires September 1, 2021
- Lorraine Bullock, term expires September 1, 2022

Category C: Life Insurance Agents

- Karl John Krokosinski, term expires September 30, 2022 (Voting Member)
- Darren J. W. Lee, term expires June 30, 2021 (Voting Member)
- Gurbinder Singh Amar, term expires September 1, 2021
- Gary P. Barker, term expires September 30, 2021
- Calvin Q. Joe, term expires September 30, 2022
- Christopher J. Crisp, term expires September 30, 2021

- Brett A. Simpson, term expires September 30, 2022
- Harpartap Singh Dhillon, term expires September 1, 2022
- Cindy Dawn David, term expires September 1, 2022

Category D: General Insurance Agent

- Stephen (Tony) A. Hayes, term expires September 30, 2022 (Voting Member)
- Lesley H. Maddison, term expires September 30, 2022 (Voting Member)
- Gina Elizabeth Barbara Bennett, term expires September 30, 2021
- Manjit Kaur Biring, term expires September 30, 2023
- Cameron W. Copeland, term expires September 30, 2022
- Shelly Helena Maurer, term expires September 30, 2023
- Jason M. Baughen, term expires September 1, 2021
- Nicole I. Federucci, term expires September 1, 2021
- Michele Anne Carver, term expires September 1, 2022

Category E: Licensed Insurance Adjuster (note: only one voting member from this category)

- Lisa Jane McCabe, term expires September 1, 2022 (Voting Member)
- Fraser Adair Anderson, term expires September 30, 2023
- Robert (Bob) A. Scott, term expires September 30, 2021
- Valerie Elizabeth Weston, term expires September 30, 2023

Category F: Lay Members

- Chamkaur Singh Cheema, term expires April 16, 2021 (Voting Member)
- Darlene Kruesei Hyde, term expires November 26, 2021 (Voting Member)
- Chun (Clair) Wang, term expires September 30, 2023
- Barbara Elaine Price, term expires September 30, 2023
- Glen Ewan, term expires September 1, 2022
- Rhonda Irene Spence, term expires September 1, 2022

Appointments required:

- 1 OIC Appointment coming up (90 days)

Issue(s):

Advice/Recommendations

Key Contact:

- Janet Sinclair
- Chief Executive Officer
- (604) 695-2001

MINISTRY PROFILE

Ministry:

The Public Sector Employers' Council Secretariat (PSEC Secretariat) is created under the *Public Sector Employers Act* and led by a President and CEO who reports directly to the Minister of Finance as the Minister Responsible for *the Act*. PSEC Secretariat's primary responsibility lies in developing and facilitating the bargaining mandates for the B.C. public sector which generally accounts for about 56% of total provincial expenditures and affects roughly 455,000 unionized and non-union employees who provide citizens with the services they depend on.

Ministry Mandate: (1 to 3 paragraphs)

PSEC Secretariat carries out the mandate of the Public Sector Employers' Council, which is responsible for strategic coordination of labour relations, total compensation planning and human resource management for the broader public sector. The Minister of Finance appoints the members as the Chair of the Council.

The PSEC Secretariat provides strategic advice in the development of the Province's bargaining mandates that guide the negotiations for 185 collective agreements, and implements the mandates and strategies through employers' associations by coordinating employers across the provincial public sector, including health, K-12 public schools, Crown corporations, community social services, post-secondary institutions (colleges, institutes, teaching universities) and research universities, as well as the core Public Service.

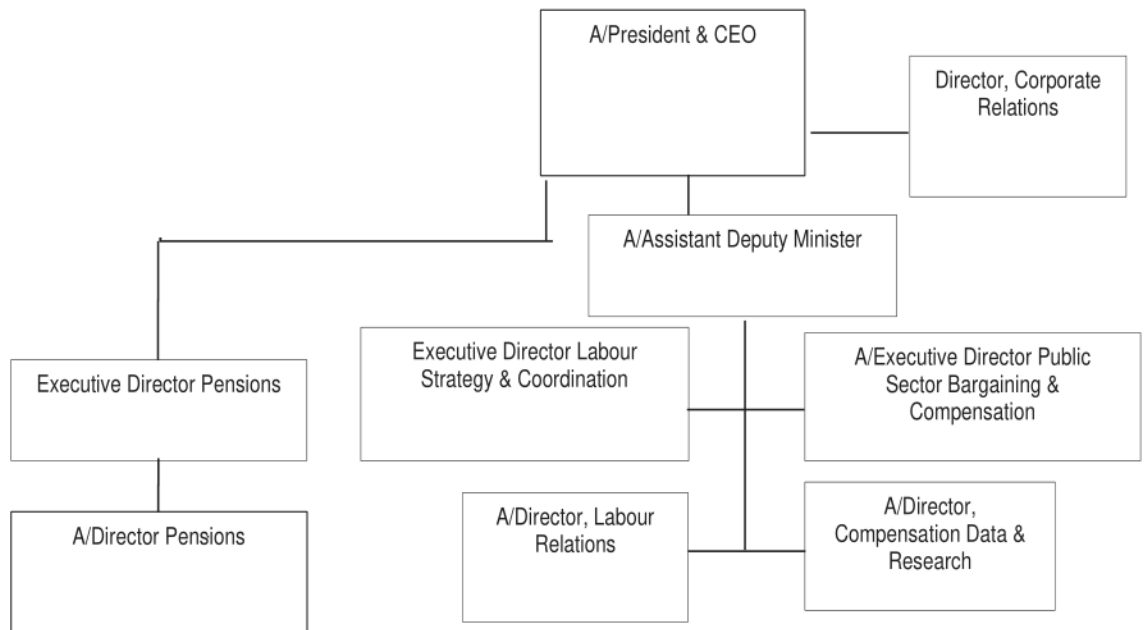
PSEC Secretariat's responsibilities include directing public sector employers to establish and implement compensation policies and plans for non-union employees, such as managers and executives (including CEOs). PSEC Secretariat is responsible for coordinating the two annual statutory disclosures of executive compensation for 123 public sector employers.

It also represents the B.C. government in its role as a partner in the four public sector pension plans under the *Public Sector Pension Plans Act* and as a steward to the Canada Pension Plan administered by the Federal Government. This includes working with other partners to the pension plans to achieve the goals of the plans in a sustainable manner, monitoring government's risk exposure and providing policy advice to both government and public sector employers. As well, it supports Treasury Board by chairing and providing secretariat support to the Appointee Remuneration Committee established pursuant to the by Treasury Board Directives that set remuneration guidelines for government appointees to Crown agency boards and administrative tribunals.

Budget: \$16.9M, including grants to employers' associations of \$14.3M (Secretariat operating budget: \$2.6M)

Full Time Equivalents (FTEs): 16 + 1 co-op student

Executive Organizational Chart:



EXECUTIVE MEMBER BIOGRAPHY



Robert Pauliszyn, MPA
A/Assistant Deputy Minister
Public Sector Employers' Council Secretariat
Ministry of Finance

Robert is nearing his 20th anniversary in the BC Public Service, where he has enjoyed working in strategic leadership and coordination roles across several ministries and central agencies, including Finance, Energy and Mines, Forests, Education, Public Safety and Solicitor General, Integrated Land Management, and Intergovernmental Relations Secretariat. As acting Assistant Deputy Minister of the Public Sector Employers' Council Secretariat, he helps to coordinate the team that supports PSEC Secretariat's President and CEO and, in turn, the Secretariat's support and advice to the Minister Responsible the *Public Sector Employers Act*. Robert holds a Master of Arts in Public Administration from the University of Victoria and a Bachelor of Arts in Political Science (with Distinction) from the University of Calgary. He also serves on the Board of Director for the Community Social Service Employers' Association and is a member of the Community Social Services Sector Roundtable.

Personal Information

EXECUTIVE MEMBER BIOGRAPHY



Chris Rathbone
A/CEO & President
Public Sector Employers' Council Secretariat
Ministry of Finance

Chris has more than a decade of experience in progressively senior roles in B.C.'s Public Service, the majority of which have been in contributing to the province's uniquely centralized collective bargaining process. As the Acting CEO and President of the Public Sector Employers' Council Secretariat, he is responsible for the strategic coordination of labour relations across the provincial public sector, managing and implementing excluded employee compensation policy, and the representation of the Minister of Finance in her role as a partner in the four, major public sector pension plans. Chris is a trustee serving on the board of the Municipal Pension Plan, as well as sitting on the boards of the Health Employers Association of BC, the BC Public School Employers' Association, and the Crown Corporation Employers' Association.

In addition to his work in the Public Service, Chris has also spent time working at a major B.C. Crown Corporation and an Independent Office of the Legislature.

30/60/90 DAY ISSUES OVERVIEW
Public Sector Employers' Council Secretariat

**additional detail for each of these topics is available in the PSEC Secretariat binder prepared for the Minister of Finance*

Topic	Details	Timing
K-12 – BCTF Application to LRB under s.88	Advice/Recommendations; Government Financial Information	30
K-12 – Principals and Vice Principals Issue School District 05		30
K-12 – Annual Executive Compensation Disclosure	Annual disclosure of the 60 public school districts for Superintendent and top four executive positions – silent posting to website by end of December.	30
K-12 – Bargaining Structure and s.53 Process	Advice/Recommendations; Government Financial Information	30
MABC Negotiations Status		30
Convene PSEC Council Meeting for January		30
Initial discussion at P&A re: Mandate 2022 -- January		60
BC Financial Services Authority (BCFSA)/OneFSR – Executive and Transition Compensation Plan		60
B.C. Temporary Pandemic Pay implementation	Announced in May, the TPP program began issuing top-up funding of \$4 per straight-time hour worked from March 15–July 4 to eligible employees on October 9. The first disbursement was workers mainly in health authorities and the Public Service followed by the service providers as their claim form submissions are validated by Ministry of Finance. Deadline for submissions is October 31, 2020 – funding will continue to be disbursed beyond October.	60
Approve PSEC Secretariat Compensation Base Forecast	Advice/Recommendations; Government Financial Information	90

PSEC Secretariat - Key Stakeholders

Sector	Organization	Contact	Description	Key Issues
Crowns	All	<p>Direct contact with all Crown corporation Board Chairs</p> <p>Direct contact with all Crown corporation CEOs</p>	<p>PSEC Secretariat engages in ongoing contact with all Crown agencies on a wide range of issues, including public sector bargaining, executive and management compensation, pensions, compensation disclosure, and board appointee remuneration.</p>	<p>CEO compensation contracts.</p> <p>Compensation plan approvals for excluded employees and executive.</p> <p>Approval of bargaining plans and tentative agreement costings.</p>
	Crown Corporations Employers' Association (CCEA)	<p>Shayne Ramsay President & CEO CCEA Board Chair Tel: Personal Information sramsay@bchousing.org</p> <p>Address: 1701-4555 Kingsway Burnaby B.C. V5H 4V8</p>	<p>CCEA functions as a venue for collaboration and information sharing on LR and compensation, as well as providing advice to PSEC Secretariat.</p> <p>CCEA does not serve as a bargaining agent on behalf of Crowns.</p>	

Sector	Organization	Contact	Description	Key Issues
Crowns (cont'd)	BC Assessment Authority	Sylvia Bishop Board Chair bishop@dccnet.com Jason Grant President & CEO Tel: 866 825-8322 ex. 09450 Jason.Grant@bcassessment.ca Address: 400 – 3450 Uptown Blvd Victoria B.C. V8Z 0B9	BC Assessment produces independent, uniform and efficient property assessments on an annual basis for all property owners in the province	Negotiates with CUPE.
	BC Family Maintenance Program (BCFMEP)	Richard Fyfe Board Chair Richard.Fyfe@gov.bc.ca Chris Beresford President Tel: Personal Information Personal Information Address: PO Box 5158, Stn B Victoria B.C. V8R 6N4	BCFMEP helps families and children entitled to maintenance (child support and spousal support) under maintenance orders or agreements	Negotiates with BCGEU, also employs lawyers represented by PEA.
Crowns (cont'd)	BC Financial Services Authority (BCFSA)	Stanley Hamilton Board Chair Stanley.Hamilton@sauder.ubc.ca Blair Morrison President Personal Information Address: 2800 - 555 West Hastings Street Vancouver B.C. V6B 4N6	BCFSA'S four pillars of responsibility are pension plans, mortgage brokers, financial institutions (including credit unions, insurance and trust companies) and the Credit Union Deposit Insurance Corporation.	

Sector	Organization	Contact	Description	Key Issues
	BC Games Society	James (Jamey) Scott Paterson Board Chairs jameypaterson@shaw.ca Alison Noble President Tel: (250) 387-4684 Personal Information Address: 200 - 990 Fort Street, Victoria, B.C. V8V 3K2	The BC Games Society is the organization responsible for setting the ongoing policy and direction of the BC Winter and BC Summer Games.	
Crowns (cont'd)	BC Housing Management Commission	Cassie Doyle Board Chair Personal Information Shayne Ramsay President Tel: (604) 439-4712 sramsay@bchousing.org Address: 1701 – 4555 Kingsway Burnaby B.C. V8H 4V8	BC Housing develops, manages and administers a wide range of subsidized housing options across the province. They also license residential builders, administer owner builder authorizations and carry out research and education that benefits the residential construction industry, consumers and the affordable housing sector.	BC Housing is a major “provincial funder” of community social service agencies and health sector agencies.
	BC Hydro & Power Authority	Kenneth G. Peterson Board Chair kgpeterson@telus.net Chris O’Riley President & CEO Tel: 604 739-1445 Personal Information Address: 333 Dunsmuir St Vancouver B.C. V6B 5R4	Provides reliable, affordable and clean electricity throughout the province.	

Sector	Organization	Contact	Description	Key Issues
Crowns (cont'd)	BC Infrastructure Benefits	Allan Bruce Board Chair abruce77@telus.net Irene Kerr President & CEO Tel: (778) 783-1209 ikerr@bcib.ca Address: 1050 - 89W. Georgia St, Vancouver, B.C. V6B 0N8	BCIB provides the qualified skilled trades workforce for the construction of public infrastructure projects operating under the <u>Community Benefits Agreement</u> .	Community Benefit Agreement
	BC Lottery Corporation	Peter Henry Kappel Board Chair Personal Information Greg Moore Interim CEO and President Tel. Personal Information gmoore@bcic.com Address: 2940 Virtual Way Vancouver B.C. V5M 0A6	BC Lottery Corporation offers a range of gambling products including lottery tickets, casinos and legal online gambling.	
Crowns (cont'd)	BC Oil & Gas Commission	Fazil Mihlar Board Chair Fazil.Mihlar@gov.bc.ca Paul Jeakins Chief Executive Officer Tel: 250 419-4411 Personal Information Address: 300 – 398 Harbour Rd Victoria B.C. V9A 0B7	BC Oil & Gas Commission protect public safety and safeguard the environment through the sound regulation of oil, gas and geothermal activities in B.C., while balancing a broad range of environmental, economic and social considerations.	Negotiates with BCGEU and Professional Employees' Association (PEA).

Sector	Organization	Contact	Description	Key Issues
	BC Pavilion Corporation	Ian Aikenhead Board Chair aikenhead@amjlaw.ca Ken Cretney Interim President & CEO Tel: 604 647-7201 kcretney@bcpavco.com Address: 200 – 999 Canada Place Vancouver B.C. V6C 3C1	BC Pavilion Corporation is mandated to generate economic and community benefit for the people of British Columbia through prudent management of public facilities.	Negotiates with the BCGEU.
Crowns (cont'd)	BC Rail Company (BCRC or BCR Properties Ltd.)	Grant Main Board Chair Grant.main@gov.bc.ca Gordon Westlake President & CEO Tel: (604) 678-4742 westlakeg@bcrcp.ca Address: #600-221 West Esplanade, North Vancouver B.C. V7M 3J3	BCRC's primary mandate is to acquire and hold railway corridor and strategic port lands and to make related infrastructure investments to provide benefits to the province.	
	BC Securities Commission	Brenda Leong President & CEO and Board Chair Tel: (604) 899-6647 bleong@bcsc.bc.ca Address: 701 West Georgia Street, PO BOX 10142, Pacific Centre Vancouver, B.C. V7Y 1L2	The British Columbia Securities Commission's mission is to protect and promote the public interest by fostering a securities market that is fair and warrants public confidence, and a dynamic and competitive securities industry that provides investment opportunities and access to capital.	

Sector	Organization	Contact	Description	Key Issues
Crowns (cont'd)	BC Transit Corporation	<p>Catherine Holt Board Chair Personal Information Personal Information</p> <p>Erinn Pinkerton President and CEO Tel: 250 995-5680 Erinn_Pinkerton@bctransit.com Address: 520 Gorge Road East Victoria B.C. V8W 2P3</p>	BC Transit is responsible for coordinating the delivery of public transportation within British Columbia, Canada, outside Greater Vancouver.	Negotiates with Canadian Office & Professional Employees (COPE); Canadian Union of Public Employees (CUPE); and, Unifor Local 333 BC (Unifor).
	BC Utilities Commission	<p>David M. Morton President & CEO and Board Chair Tel: (604) 660-4700 Address: Suite 410, 900 Howe Street, Vancouver, B.C. V6Z 2N3</p>	The BCUC's mission is to ensure that ratepayers receive safe, reliable and non-discriminatory energy services at fair rates from the utilities it regulates, and that shareholders of those utilities are afforded a reasonable opportunity to earn a fair return on their invested capital.	
Crowns (cont'd)	Columbia Basin Trust	<p>Jocelyn Carver Board Chair Personal Information</p> <p>Johnny Strilaeff President & CEO Tel: (250) 304-1632 Personal Information Address: Suite 300, 445 - 13th Avenue Castlegar, B.C. V1N 1G1</p>	The Columbia Basin Trust manages its assets for the ongoing economic, environmental and social benefit of the Columbia Basin region, without relieving governments of any obligations in the region.	

Sector	Organization	Contact	Description	Key Issues
	Columbia Power Corporation	John (Tim) Timothy Stanley Board Chair Personal Information Johnny Strilaeff President & CEO Tel: (250) 304-1632 Personal Information Address: Suite 200, 445 - 13th Avenue Castlegar, B.C. V1N 1G1	Columbia Power Corporation mandate is to undertake hydro-electricity projects in the Columbia River region of British Columbia. In so doing, it is required to work with its sister crown corporation the Columbia Basin Trust.	
Crowns (cont'd)	Community Living BC (CLBC)	Michael John Prince Board Chair mprince@uvic.ca Ross Chilton Chief Executive Officer Tel: Personal Information Ross.Chilton@gov.bc.ca Address: 7th Fl, Airport Square. 1200 - West 73rd Avenue, Vancouver B.C. V6P 6G5	CLBC is a major "provincial funder" of community social service agencies	Negotiates with BCNU and BCGEU.
	Destination BC	Dawn Black Board Chair Personal Information Richard Porges Interim President & CEO Tel: (778) 572-1808 Richard.Porges@destinationbc.ca Address: 12th Fl – 510 Burrard Street Vancouver, B.C. V6C 3A8	Destination BC supports a strong and competitive future for .BC.'s tourism industry through a combination of global marketing, destination development, industry learning, cooperative community-based programs, and visitor servicing.	

Sector	Organization	Contact	Description	Key Issues
Crowns (cont'd)	First Peoples' Cultural Council (FPCC)	Cynthia Jensen Fisk Board Chair Personal Information Tracey Herbert President & CEO Tel: (250) 652-5952 tracey@fpcc.ca Address: 1A Boat Ramp Road, Brentwood Bay, B.C. V8M 1N9	FPCC's mandate is to assist B.C. First Nations in their efforts to revitalize their languages, arts and cultures.	
	Forestry Innovation Investment Ltd.	Silas Brownsey Board Chair silas.brownsey@gov.bc.ca Michael Loseth President & CEO Tel: (604) 685-7507 loseth@bcfii.ca Address: Suite 1200 - 1130 West Pender Street, Vancouver B.C. V6E 4A4	Forestry Innovation Investment help maintain, create and diversify markets for B.C. forest products to ensure the forest sector continues to be a key contributor to the B.C. economy.	
Crowns (cont'd)	Industry Training Authority (ITA)	Cindy Oliver Board Chair coliver@fpse.ca Shelley Grey President & CEO Tel: (778) 327-5904 sgray@itabc.ca Address: 8th Flr – 8100 Granville Ave. Richmond B.C. V6Y 3T6	ITA leads and coordinates British Columbia's skilled trades system. ITA works with employers, apprentices, industry, labour, training providers and government to issue credentials, supports apprenticeships, fund programs, set program standards and increase opportunities in the trades.	

Sector	Organization	Contact	Description	Key Issues
	Innovate BC	<p>Alan Shaver Board Chair Personal Information</p> <p>Raghwa Gopal President and CEO Tel: Personal Information Personal Information</p> <p>Address: 9th Floor - 1188 W. Georgia Vancouver B.C. V6E 4A2</p>	Innovate BC funds entrepreneurial support programs in the province. Innovate BC focuses on the support of technology start-ups and entrepreneurs through programs, sponsorship and competitions that facilitate technology commercialization	
Crowns (cont'd)	Insurance Corporation of BC (ICBC)	<p>Joy MacPhail Board Chair Personal Information</p> <p>Nicolas Jimenez Chief Executive Officer Tel: 604 982-2401 Personal Information</p> <p>Address: 151 West Esplanade North Vancouver B.C. V7M 3H9</p>	ICBC is committed to protection and peace of mind for B.C. drivers, quality products and services, and offering customers the best coverage at the lowest possible price.	Negotiates with the Canadian Office and Professional Employees Union (COPE).
	Insurance Council of BC	<p>Lesley Maddison Board Chair Personal Information</p> <p>Janet Sinclair President & CEO Tel: Personal Information jsinclair@insurancecouncilotbc.com</p> <p>Address: Suite 300, 1040 West Georgia Street, PO Box 7, Vancouver, B.C. V6E 4H1</p>	The Insurance Council of British Columbia regulates and licenses life and general insurance agents, salespersons, and adjusters. We protect the public by ensuring that licensees act ethically, with integrity and competence.	

Sector	Organization	Contact	Description	Key Issues
Crowns (cont'd)	Knowledge Network	<p>Maurine Edna Karagianis Board Chair Personal Information</p> <p>Rudy Buttignol President & CEO Tel: (604) 431-3118 rudyb@knowledge.ca Address: 4355 Mathissi Place Burnaby B.C. V5G 4S8</p>	Knowledge Network is a registered charity, engaging in fundraising activities through our Knowledge Partners program.	
	Legal Services Society	<p>Jean Whittow Board Chair Personal Information</p> <p>Mark Benton, Q.C. Chief Executive Officer Tel: 604 601-6137 Mark.benton@lss.bc.ca</p> <p>Address: 400 – 510 Burrard St Vancouver B.C. V6C 3A8</p>	Legal Aid BC is a non-profit organization created by the <u>Legal Services Society (LSS) Act</u> to provide legal information, advice, and representation services.	Negotiates with the BCGEU and PEA
Crowns (cont'd)	Worksafe BC	<p>Ralph Wayne McGinn Board Chair Personal Information</p> <p>Anne Naser President & CEO Diana.miles@worksafebc.com Address: 6951 Westminster Hwy Richmond B.C. V7C 1C6</p>	WorkSafe BC is committed to creating a province free from workplace injury or illness, and to providing service driven by our core values of integrity, accountability, and innovation.	Negotiates with the Compensation Employees' Union (CEU) and salaried physicians (represented by BCMA)

Sector	Organization	Contact	Description	Key Issues
	Partnerships BC	<p>Dana Hayden Board Chair Personal Information</p> <p>Mark Liedeman President & CEO Mark.Liedemann@partnershipsbc.ca Address: 2320 - 1111 West Georgia Street Vancouver B.C. V6E 4M3</p>	Partnerships BC works to improve people's lives and communities through infrastructure.	
Crowns (cont'd)	The Real Estate Council of British Columbia (RECBC)	<p>Elain Duvall Board Chair Personal Information</p> <p>Erin Seeley President & CEO Personal Information Address: 900-750 West Pender Street Vancouver, B.C. Canada V6C 2T8</p>	RECBC regulates real estate professionals in the public interest.	
	Royal BC Museum	<p>Daniel Muzyka Board Chair daniel.muzyka@outlook.com</p> <p>Jack Lohman President & CEO Personal Information jlohman@royalbcmuseum.bc.ca Address: 675 Belleville Street, Victoria, B.C. V8W 9W2</p>	The Royal British Columbia Museum consists of The Province of British Columbia's natural and human history museum as well as the British Columbia Provincial Archives.	Unionized employees covered under the PSA-BCGEU Main Agreement

Sector	Organization	Contact	Description	Key Issues
Crowns (cont'd)	Transportation Investment Corporation (TI Corp)	Sabine Feulgen Board Chair Personal Information Amanda Farrell President & CEO Tel: (604) 398-5787 amanda.farrell@gov.bc.ca Address: Unit 210-1500 Woolridge St. Coquitlam B.C.. V3K 0B8	TI Corp has a mandate to deliver \$4.7 Billion in major infrastructure on behalf of the Ministry of Transportation and Infrastructure.	
Community Social Services	Community Social Services Employers' Association (CSSEA)	Fernando Coelho Board Chair Tel: 604 279-7043 jbarr@rscl.org Gentil Mateus Chief Executive Officer 604 601-3118 gmateus@cssea.bc.ca Address: 800-555 Burrard St Vancouver B.C. V7X 1M8	Established pursuant to the <i>Public Sector Employers Act</i> , CSSEA is the accredited bargaining agent for agencies listed on the Community Social Service Employers Regulation.	Negotiates with the Community Social Services Bargaining Association (CSSBA).

Sector	Organization	Contact	Description	Key Issues
Health	Health Employers Association of British Columbia (HEABC)	<p>Betsy Gibbons Board Chair Cell: Personal Information Personal Information</p> <p>Michael McMillan President & CEO Tel: Personal Information Michael.mcmillan@heabc.bc.ca Address: 200–1333 West Broadway, Vancouver B.C. V6H 4C6</p>	<p>Established pursuant to the <i>Public Sector Employers Act</i>, HEABC is the accredited bargaining agent for health authorities and employers designated under the Health Employers Regulation. HEABC also coordinates the cross-sector compensation plan for executive and management employees. HEABC supports the Ministry of Health in sector recruitment and with the negotiation of the Physicians Master Agreement.</p>	<p>Negotiates with: Ambulance Paramedics and Dispatchers’ Association; Community Bargaining Association; Facilities Bargaining Association; Health Sciences Professionals Bargaining Association; Nurses Bargaining Association; Professional Association of Residents of BC.</p>
K-12	BC Association of School Business Officials (BCASBO)	<p>Flavia Coughlan President Tel: 604 466-6225 president@bcasbo.ca Personal Information Address: 208 – 1118 Homer St Vancouver B.C. V6B 6L5</p>	<p>K-12 management partner group comprising of school district business officials – primarily Secretary Treasurers and finance officials.</p>	<p>Technical expertise on HR, compensation administration, and district level labour relations</p>

Sector	Organization	Contact	Description	Key Issues
K-12 (Cont'd)	BC Principals and Vice Principals Association (BCPVPA)	Darren Danyluk President Tel: Personal Information Address: 200 – 525 10 th Ave W Vancouver B.C. V5Z 1K9	K-12 management partner group comprising of school principals and vice principals	Technical expertise on worksite labour relations and administration of learning programs
K-12	BC Public School Employers' Association	Renzo Del Negro President & CEO Tel: 604 730-4511 Address: 300-2889 East 12th Avenue Vancouver, BC V5M 4T5	Accredited bargaining agent for the Province's 60 public school boards in negotiations with the BCTF and Support Staff unions.	
	BC School Trustees Association (BCSTA)	Stephanie Higginson President Trustee, SD 68 (Nanaimo – Ladysmith) Tel: 604-734-2721 shigginson@bcsta.org Mike Roberts Chief Executive Officer Tel: Personal Information E-mail: mroberts@bcsta.org Address: 1580 West Broadway Vancouver B.C. V6J 5K9	Provincial advocacy organization for elected school trustees and boards of education.	Consultation on sector-wide issues of interest to boards of education
K-12 (Cont'd)	BC School Superintendents Association	Chris van der Mark President Phone: Personal Information Personal Information Address: 208 – 1118 Homer St Vancouver B.C. V6B 6L5	Management Partner group for BC School Superintendents, Assistant Superintendents, and Directors of Instruction	Technical expertise on coordination and implementation of provincial education policy and LR objectives

Sector	Organization	Contact	Description	Key Issues
Post-Secondary	Post-Secondary Employers' Association (PSEA)	Michael Marchbank Board Chair michael@psea.bc.ca Rebecca Maurer Chief Executive Officer Tel: 604 742-2582 rebecca@psea.bc.ca Address: 300 – 2889 East 12 th Avenue, Vancouver B.C. V5M 4T5	Established pursuant to the <i>Public Sector Employers Act</i> , PSEA is the accredited bargaining agent B.C.'s colleges, teaching universities, and institutes.	PSEA also coordinate the cross-sector compensation plan for executive and management employees.
Post-Secondary (con't)	BC Association of Institutes and Universities	Dr. Joanne Maclean Board Chair Personal Information Ruth Wittenberg President Tel: 250 940-1141 Ruth.wittenberg@ufv.ca Address: 21-21 Dallas Road Victoria B.C. V8V 4Z9	Advocacy organization for teaching universities and institutes	Consult on LR and HR issues affecting teaching universities and institutes.

Sector	Organization	Contact	Description	Key Issues
	BC Colleges	Colin Ewart President Tel: 250 595-4866 cewart@bccolleges.ca Address: #201-534 Pandora Avenue Victoria, B.C. V8W 1N6	Advocacy organization for colleges in the PSEA sector	Consult on LR and HR issues affecting teaching universities and institutes.
Research Universities	University Public Sector Employers' Association (UPSEA)	Philip Steenkamp Board Chair Personal Information Blair Littler Executive Director Tel: 250 480-3975 Personal Information Address: 400 – 880 Douglas St Victoria B.C. V8W 2B7	UPSEA does not serve as a bargaining agent on behalf of Research Universities.	Coordination of bargaining plan approvals and facilitates coordination with the sector.
	Royal Roads University	Terrie Klotz Vice President, HR Personal Information Address: 2005 Sooke Road Victoria B.C. V9B 5Y2		

Sector	Organization	Contact	Description	Key Issues
	Simon Fraser University	Sandi de Domenico Vice President, HR Personal Information Address: 8888 University Drive Burnaby B.C. V5A 1S6		
Research Universities (Con't)	Thompson Rivers University	Larry Phillips Executive Director, HR lphillips@tru.ca Address: 900 McGill Rd Kamloops B.C. V2C 0C8		
	University of BC	Marcia Buchholz Vice President, HR marcia.buchholz@ubc.ca Address: 2329 West Mall Vancouver B.C. V6T 1Z4		
	University of Northern BC	Arleta Lucarelli, Acting Director of Human Resources Tel: 250.960.5575 arleta.lucarelli@unbc.ca Address: 3333 University Way Prince George, B.C. V2N 4Z9		
Research Universities (Con't)	University of Victoria	Kane Kilbey Associate Vice President, HR kanek@uvic.ca Address: 3800 Finnerty Road Victoria B.C. V8P 5C2		

Sector	Organization	Contact	Description	Key Issues
Crown Corporations, Public Service, Post-Secondary, Research Universities	BC Government and Service Employees' Union (BCGEU)	<p>Stephanie Smith President Personal Information</p> <p>Paul Finch Treasurer Personal Information</p> <p>Brent Camilleri Coordinator, Negotiations Tel: 604 473-5485 Brent.camilleri@bcgeu.ca Address: 4911 Canada Way Burnaby B.C. V5G 3W3</p>	<p>The BCGEU represent over 80,000 members in 550 bargaining units in the private sector and public services.</p> <p>Main Bargaining Associations:</p> <ul style="list-style-type: none"> • Community Services Bargaining Association • Nurses' Bargaining Association • Facilities Bargaining Association 	Leads the Community Social Services Bargaining Association
	BC Federation of Labour	<p>W. Laird Cronk President Personal Information</p> <p>Address: 200 – 5118 Joyce St Vancouver B.C. V5R 4H1</p>	The BC Federation of Labour represents over 500,000 members from affiliated unions across the province, working in every aspect of the BC economy.	General LR issues and may discuss how to resolve disputes

Sector	Organization	Contact	Description	Key Issues
Health, Crown Corporations, K12 Education, Public Service, Post-Secondary, Research Universities	Canadian Union of Public Employees BC (CUPE)	Paul Faoro President Tel: 604-291-9119 pfaoro@cupe.bc.ca Address: 6222 Willingdon Ave. Burnaby, B.C. V5H 0G3	CUPE members work for municipalities, school boards, airlines, hospitals, nursing homes, libraries, colleges, universities, social service agencies, the ambulance service, public utilities, and other public institutions. Main Bargaining Associations: <ul style="list-style-type: none"> • Community Social Services Bargaining Association • Ambulance Paramedics & Ambulance Dispatchers Bargaining Association • Facilities Bargaining Association 	Negotiations across sectors
	Unifor	Gavin McGarrigle BC Area Director Tel: 778-668-6455 gavin.mcgarrigle@unifor.org Address: 2 nd Floor 4248 Glanford Ave Victoria B.C. V8Z 4B8	Unifor is a general trade union in Canada and the largest private sector union in Canada.	BC Transit negotiations
K-12	BC Teachers' Federation (BCTF)	Teri Mooring President Tel: ^{Personal} Personal Information Address: 100 – 550 West 6 th Ave Vancouver B.C. V5Z 4P2	Accredited bargaining agent for BC Teachers. Employer partner for Teachers' Pension Plan	

Sector	Organization	Contact	Description	Key Issues
Health	Hospital Employees' Union (HEU)	<p>Barb Nederpel President bnederpel@heu.org Address: 201-780 Tolmie Ave, Victoria, B.C. V8X 3W4 Main Bargaining Associations:</p> <ul style="list-style-type: none"> • Facilities Bargaining Association • Community Services Bargaining Association • Nurses' Bargaining Association 	The Hospital Employees' Union is the oldest health care union in British Columbia – representing more than 50,000 members working for public, non-profit and private employers.	Leads the Facilities Bargaining Association.
Health	BC Nurses Union (BCNU)	<p>Christine Sorensen President Tel: 250 819-6293 christinesorensen@bcnu.org Address: 4060 Regent St, Burnaby, BC V5C 6P5 Main Bargaining Association: Nurses' Bargaining Association</p>	BCNU is the largest nursing union in BC, and the only union to offer services to nurses related to all four domains of nursing: research, clinical practice, leadership, and education.	Leads the Nurses Bargaining Association
Public Service, Crown Corporations, Research Universities, K12 Education	Professional Employees Union (PEA)	<p>Shawna LaRade President Tel: 250 919-4711 slarade@pea.org Address: 505-1207 Douglas St, Victoria, BC V8W 2E7 Main Bargaining Association: Professional Employees' Association</p>	PSEA is the employer bargaining agent for all public colleges, special-purpose teaching universities, and institutes in British Columbia. These nineteen institutions constitute the B.C. post-secondary sector.	They are governed by the <i>College & Institute Act</i> and the <i>University Act</i> , respectively.

Sector	Organization	Contact	Description	Key Issues
Post-Secondary	Federation of Post-Secondary Educators (FPSE)	Brent Calver President Tel: 604 873-8988 bcalvert@fpse.ca Address: 550 W 6th Ave, Vancouver, BC V5Z 1A1	FPSE represents over 10,000 faculty and staff at BC universities, colleges, institutes, and private sectors institutions.	
	MoveUP	David Black President Tel: 604 299-0378 dblack@moveuptogether.ca Address: 4501 Kingsway #301, Burnaby, BC V5H 0E5	MoveUP represents members in many of the industries and professions fundamental to our economy including at BC Hydro, FortisBC, ICBC, Capilano University, BCAA, transit providers, credit unions and car rental companies.	
Health, Community Social Services	Health Sciences Association (HSA)	Val Avery President Tel: 604 790-2559 Personal Information Address: 180 E Columbia St, New Westminster, BC V3L 0G7 Main Bargaining Association: Health Science Professionals Bargaining Association	HSA is the union representing more than 18,000 professionals working in health care and community social services around B.C.	Leads the Health Science Professionals Bargaining Association
	International Union Operating Engineers (IUOE)	Adrian David President Personal Information Address: 218 Blue Mountain St, Coquitlam, BC V3K 4H2 Main Bargaining Associations: Facilities Bargaining Association		

BRIEFING NOTE
AGENCIES/BOARDS/COMMISSIONS

Name: Real Estate Foundation of BC

Legislative Authority: *Real Estate Services Act* (RESA)

Mandate:

To undertake and carry out real estate public and professional education, real estate law reform, real estate research, and other projects intended for the public or professional good.

Under RESA the board of governors of the foundation consists of up to seven members:

- The minister or another person appointed by the minister;
- One member appointed by the Real Estate Council of BC (RECBC is a Crown corporation);
- One member appointed by the British Columbia Real Estate Association (BCREA);
- One member appointed by the Real Estate Institute of British Columbia (REIBC);
- One member, not licensed under RESA, appointed by the minister;

In addition, the board may also include:

- One member appointed by UBCM under Section 7.01 of the Real Estate Services Regulations; and
- One additional member appointed by the minister.

Current Appointees:

- Stacey Tyers, term ends December 31, 2020
- Tina Lange-Henzler, term ends December 31, 2020
- Mavis Kathleen Underwood, term ends December 31, 2021
- Note: the current chair, Roberta Stewart was appointed by RECBC which, as a Crown corporation, is controlled by government and is technically a Government appointed board member.

Appointments required:

- Two appointments coming up December 31, 2020 (60-day)

Issue(s):

- None

Key Contact:

- Name: Mark Gifford
- Title: CEO
- Phone: 604-343-2624

BRIEFING NOTE
AGENCIES/BOARDS/COMMISSIONS

Name: British Columbia Investment Management Corporation (BCI)

Legislative Authority: *Public Sector Pension Plans Act* (PSPPA)

Mandate:

Established in 2000, BCI's mandate is to generate investment returns that help build financially secure futures for the beneficiaries of BCI's clients' funds, including over 630,000 pension plan members (public sector pensions), 2.5 million workers (WorkSafe BC), and over 3 million drivers in B.C. (ICBC claims reserve).

(BCI is not part of the government reporting entity (GRE) however the government is an investment client. Under section 20(s) of the PSPPA, BCI is required to provide the Minister of Finance an annual business plan and an annual report, including the audited financial statements.)

Current Appointees:

Per the *Public Sector Pension Plans Act*, one director of the Board of Directors (BoD) is appointed by each of BCI's largest pension plan clients from among its members including the College Pension Board, Municipal Pension Board, Public Service Pension Board, and Teachers' Pension Board.

The provincial Minister of Finance appoints two directors, representative of other BCI clients. One other director is appointed by the Minister of Finance and designated to be the chair of the board.

- Peter Milburn, Chair of the Board of Directors, appointed by the Minister of Finance
- Gayle Gorrill, member of the BoD, appointed by the Minister of Finance
- Sheila Taylor, member of the BoD, appointed by the Minister of Finance
- Paul Finch, member of the BoD, appointed by the Public Service Pension Plan Board of Trustees
- Donna Lommer, member of the BoD appointed by the Municipal Pension Board of Trustees
- Karen Maynes, member of the BoD, appointed by the College Pension Board of Trustees
- Ken Tannar, member of the BoD, appointed by the Teachers' Pension Board of Trustees

Appointments required:

Chair appointment expires on December 31, 2020.

Issue(s):

- 30 days (for information):
 - BCI has updated previously reported fiscal 2019/20 for one and 10-year returns due to a process error that impacted BCI's Realpool (real estate) returns after a transition to a new accounting system in March 2020.
 - 1-year returns were updated from 3.03 to 2.95%; 10-year returns were updated from 8.5 to 8.4%.

Advice/Recommendations

- In November, a release of a joint public statement from the CEOs of Canada's major public sector pension funds (the Maple Eight) called for improved ESG reporting and disclosure following a meeting with the

Governor of the Bank of Canada on November 23rd. ESG refers to Environmental, Social, and Corporate Governance refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business. BCI is continuing to explore enhancements to ESG reporting.

Key Contact:

- David Morhart
- Executive Vice President, Corporate & Investor Relations
- Personal Information

Government Communications and Public Engagement

Government Communications and Public Engagement (GCPE) is the centralized division responsible for all government communications. The division is currently part of the Ministry of Finance and is responsible to the Minister of Finance.

- Deputy Minister: Donna Evans
- Assistant Deputy Minister – Strategic Communications: Nammi Poorooshab
- Assistant Deputy Minister – Communications & Media Relations: Don Zadravec
- Executive Director – Corporate Services: Raman Dale

The divisions operations are:

- Digital Communications: The digital communications team manages and promotes the provincial government's social media channels and helps maintain the [BC Gov News site](#). This includes establishing and maintaining all non-gov.bc.ca websites that promote high-priority government programs [i.e. [CleanBC](#)]
- Marketing Services: The unit develops and helps manage government's information campaigns. It also set policies and procedures relating to government's communications services, marketing materials, and paid advertising. This includes ensuring all information campaigns meet the non-partisan advertising criteria.
- Graphic Design Services: The graphics design team creates print and online publications, event displays, visual presentations, web graphics, and photography for government. They are also the source of graphic standards in the B.C. government and authorize use of the provincial identity (B.C. logo/BCID).
- Emergency Communications: GCPE works with Emergency Management BC (EMBC) and local authorities during disasters such as floods, wildfires, earthquakes, and avalanches. This includes GCPE staff working as communications leads with regional deployment to operation centres and at EMBC operations in greater Victoria.
- Ministry Communications Offices: Each ministry is assigned a communications office by GCPE that provides support and services such as strategic communications advice and planning, media relations, issues management, media monitoring, event planning, news releases and speeches.
- Media Relations: Provides support for government events, announcements, and activities.
- Writing & Content Strategy: Centralized writing services for major government and cabinet priorities that are often cross-ministry in scope, including the Premier's Office.
- Editorial Services: Provides speechwriting, research, editing services, and government-wide news release distribution.
- Event Planning: Organizes provincial government media events to promote awareness of programs, policies and services.
- Media Monitoring: [Today's News Online](#) monitors all major news stories in British Columbia, Canada, and globally that affect the province, including an expanding number of language-specific media outlets.

GCPE Finance

GCPE Finance supports the Minister of Finance, the Ministry of Finance and GCPE executive.

This includes preparing all communication materials related to the Minister's file (including GCPE) such as communications plans, speeches, news releases, issue notes, key messages, QAs, event planning and media relations. The shop prepares morning news clip packages tailored to the ministry's responsibilities using Today's News Online's digital application. The shop leads budget and budget consultation communications, working in step with Queen's Printer, GCPE executive, ministry executive and divisions, minister's office staff and the Premier's Office.

GCPE Finance staff		
Name	Position	Responsibilities
<u>Lisa Leslie</u>	Communications Director	Finance & Gender Equity strategic planning, media relations
<u>Joanne Whittier</u>	Communications Manager	Gender Equity – strategic planning and communications products for parliamentary secretary
<u>Kirsten Youngs</u>	Communications Manager	Finance – staff management, product review, communications director backup
<u>Roxanne Kropp</u>	Senior Public Affairs Officer	Treasury Board, Comptroller General, Auditor General, PSEC, Public Service Agency, policy and legislation
Vacancy	Senior Public Affairs Officer	Tax Policy and Media Relations, Community Benefits Agreements, PartnershipsBC (duties reassigned to director and manager until OIC possible)
<u>Richelle D. Funk</u>	Public Affairs Officer	Revenue Division, digital/web, Land Owner Transparency Registry, GCPE, Crown Agencies and Board Resourcing Office
<u>Jakelene Plan</u>	Public Affairs Officer	COV ID-19 response, economy/economic indicators, housing & real estate, anti-money laundering, FOI, intergovernmental fiscal relations, Provincial Treasury and Risk Management Branch, money laundering

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Withheld pursuant to/removed as

Advice/Recommendations

Additional potential opportunities:

Gender-based, domestic and sexual violence prevention and response:

Sexual assault and intimate partner violence are a global public health concern with significant physical, emotional and economic costs. During the COVID-19 pandemic, B.C. media and service providers report concerns over increases in violence as a result of people needing to stay at home, in some cases with an abusive partner.

Communications opportunities include potential partnerships with the Government of Canada (Women and Gender Equality) respecting a national action plan against gender-based violence, as well as service providers like BC Women's Health Foundation and EVA BC, which previously launched a three-year research project to advance best practices to support people who have faced sexual assault.

Advice/Recommendations

COVID-19 Economic Recovery:

People who are systematically disadvantaged are generally more vulnerable to the impact of disaster.

Women are one of the groups at higher risk of long-term economic insecurity as a result of the pandemic because of their over-representation in part-time work and highly affected sectors like health, education, home support, and personal care. Women also make up the majority of minimum wage workers in B.C. and most liquor servers are women. The youth unemployment rate has also been significantly impacted during the pandemic

Economic insecurity is also likely to be amplified for people with disabilities (a higher proportion of whom are women). Sex workers who rely on physical contact and those who perform in live venues are at risk of experiencing deep income reductions as a result of COVID-19 and more likely to get pushed into increasingly unsafe situations.

Additionally, LGBTQ2S+ youth make-up a high percentage of homeless and precariously housed young people in Canada and are less likely to have access to financial and emotional supports from their families.

Advice/Recommendations

National Inquiry into Missing and Murdered Indigenous Women:

Following the public release of a national inquiry report on June 3, Prime Minister Justin Trudeau committed to implementing the report and outline an action plan. He accepted all 231 recommendations and the finding of the report that the deaths of indigenous women and girls amounts to genocide. On Aug. 5, a federally led information sharing session was held (virtually) in B.C. along with several Indigenous women.

Advice/Recommendations

LGBTQ2S+ Inclusion and Access:

Advice/Recommendations

LGBTQ2S+ people in B.C. – and Canada – continue to face many barriers to inclusion and access.

Advice/Recommendations

For

example, the International Day Against Homophobia, Transphobia and Biphobia is held on May 17, annual Pride celebrations are held in June and Nov 20 is the UN Transgender Day of Remembrance,

Advice/Recommendations

Advice/Recommendations

In addition, the B.C. SOGI network (sexual orientation and gender identity) involves all 60 school districts and several independent schools,

Advice/Recommendations

Addressing pay equity issues, and promoting gender equity and leadership at senior levels in the public and private sector:

The Conference Board of Canada report cites that B.C. has one of the highest pay equity disparities in Canada at 22.6%, with women making 77.4 cents for every dollar earned by a man. Media outlets continue to report on the topic.

Advice/Recommendations

COVID-19 – Economic Recovery

Background:

- On Sept. 17, 2020, government announced the next steps in helping people and businesses through the pandemic with the release of StrongerBC: BC's Economic Recovery Plan.
- The plan includes 55 actions that support struggling businesses and individuals, that create skills training and employment opportunities, and improve services for British Columbians.
- The Ministry of Finance supported all economic recovery submissions and will execute two of the commitments.
 - Increased Employment Incentive: Business can apply for the new tax credit starting in March 2021. The credit is for employers who hired back workers or increased staffing between September and December 2020.
 - PST Rebates for Select Machinery and Equipment: Applications for the new refund open in April 2021. Under this temporary program that aims to help businesses grow, incorporated businesses can apply for an amount equal to the PST they paid between Sept 17, 2020 and Sept 30, 2021 on qualifying machinery and equipment.

Message:

- B.C. is not through the pandemic yet, but together we're making progress.
- Every day, people and businesses are working hard to get back on track. And your government is right there working with you.
- B.C.'s recovery plan is about helping all of us get our lives back on track. Together we are:
 - strengthening health care;
 - creating good jobs and opportunities for people; and
 - helping B.C. businesses come back stronger.
- We know our recovery won't come overnight. We can't eliminate the virus, yet. But we can control the spread. And most importantly, we can control our response.
- Several programs under the economic recovery plan have already started rolling out to British Columbians.

Provincial Deficit

Background:

- Media are monitoring the provincial deficit in light of extraordinary COVID-19 related spending and revenue losses, which government typically updates the public on through quarterly reporting.
- The provincial deficit currently sits at \$12.8 billion.

Message:

- The impact on provincial revenues and unprecedented investment in supports for people and businesses has led to a provincial deficit of \$12.8 billion for the 2020-21 fiscal year.
- The unprecedented times have called for unprecedented investment to provide the people and businesses of B.C. with the support they need.
- The pandemic has challenged and changed our province, and the Province is doing everything it can to invest in people, businesses and communities to see them through the pandemic and into a strong economic recovery.

COVID-19 Spending

Background:

- Media are keeping tabs on total government spending commitments related to COVID-19.
- Following the release of StrongerBC: BC's Economic Recovery Plan, the provincial government's support and tax relief measures total \$8.3 billion to date.

Message:

- This is an incredibly challenging time for many people, and we are here to support them.
- The estimated costs of provincial supports and tax relief measures total \$8.3 billion to date.
- The Province laid a solid foundation for British Columbians and B.C. businesses through the COVID-19 Action Plan released in March, and StrongerBC is the next step forward for B.C.'s long-term economic recovery.
- The \$8.3 billion includes:
 - \$5 billion for critical services, financial supports and economic recovery.
 - \$810 million for the provincial contribution of the Restart Plan for municipalities and transit
 - \$1.8 billion in additional response and relief measures to help people and businesses.
 - And \$660 million in new tax measures, through the temporary PST rebate on select machinery and equipment and the *Increased Employment Incentive* tax credit for employers who continue hiring employees as the economic recovery progresses this fall.

Budget 2020

Background:

- Media frequently ask about the state of the provincial fiscal plan, COVID-19 impacts to Budget 2020 and government's ability to recover.

Message:

- B.C. came into the COVID-19 pandemic from a place of economic strength with a diverse, resilient economy. We started 2020 with zero operating debt, triple-A credit ratings and one of the lowest unemployment rates in the country.
- B.C. is not through the pandemic yet, but together we're making progress.
- B.C. is well-positioned to move into economic recovery. We have robust capital spending and an economic recovery plan that will continue to help us as we move ahead, and we have the best debt affordability in Canada.
- Our next step will be Budget 2021 – by then, we'll be able to see where our efforts are having the most impact and where we can further support people, businesses and communities.

Temporary Pandemic Pay

Background:

- On May 19th, 2020, the Province announced temporary pandemic pay for front-line workers delivering in-person, critical public services in health, social services and corrections to those most vulnerable during the pandemic, and where physical distancing is not always possible.
- Eligible frontline-workers, approximately 250,000 receive a lump-sum payment equivalent to \$4 per hour for hours worked over a 16-week period, starting on March 15th.
- Funding is cost-shared with the federal government.
- Issues raised by unions, service providers and media to date include the eligibility criteria that excludes some essential service workers, a lack of income testing, and the timing of payments.
- As of mid-October, funds have begun to be provided to employers. It is anticipated that all employers will receive the funds by the end of December.

Message:

- Temporary pandemic pay recognizes the frontline workers providing critical public services in health, social services and corrections to some of those who are most vulnerable during the pandemic.
- Government is working as quickly as possible with ministries and funding agencies to implement an efficient invoicing and payment system for all employers so that they can receive and distribute the top-up to their employees.
- Funding started flowing through employers to employees in early October and all payments are expected to be completed by the end of December.
- We know it's a difficult time for many people – and not every program can cover everyone.
- With this program, we are recognizing 250,000 frontline workers delivering care to those most vulnerable, and where physical distancing is the most difficult.

Strata Insurance Costs

Background:

- In fall 2020, the BC Financial Services Authority (BCFSA) is due to submit a final report to the Ministers of Finance and Municipal Affairs and Housing on reasons for significant increases in the cost of insurance for B.C. strata properties and potential ways for government to improve affordability for property owners.
- An interim BCFSA report showed premiums have risen by an average 40% across the province over the past year while deductibles have increased by triple-digits over the same period (50% in Metro Vancouver).
- Based on other interim report findings, the Ministry of Finance and Ministry of Municipal Affairs and Housing amended the Strata Property Act (Municipal Affairs and Housing) and the Financial Institutions Act (Finance).
- Changes include immediately prohibiting referral fees for strata property managers from strata insurance transactions. Effective Nov. 1, 2020, insurers must provide 45-days notice to insurance agents of any material changes/non-renewal of a policy, including changes to the premium; insurance agents must provide 30-days notice to strata councils of any material changes/non-renewal of policy, including changes to the premium; and insurance agents selling strata insurance must disclose the quantum of their commission.
- This was positioned as government's initial step, with more action to follow.
- Media expect to receive a copy of the final report and learn government's next steps.

Message:

- The rising cost of strata insurance is an extremely complex issue, and the B.C. government is working to establish a clear picture of the different local, national and global factors affecting cost and availability.
- It's important to recognize that the dynamics driving these increases are playing out in the private insurance industry – government does not set insurance rates or regulate pricing.
- The B.C. government passed legislation to bring more transparency to the strata insurance market and help strata councils and owners cope with the current situation.
- The Province is keeping a close eye on the impacts of legislation and are awaiting the final report from the BC Financial Services Authority. We'll take further action, if needed.

Carbon Tax

Background:

- As part of the COVID-19 recovery plan, the B.C. government postponed the Budget 2020 plan to move the carbon tax rate from \$40 per tCO₂e to \$45 per tCO₂e until April 2021. The carbon tax will increase to \$50 per tCO₂e in April 2022.
- On Oct. 16/20, the Mining Association of B.C. (MABC) released a news release and report calling on the Province to make changes to the carbon tax as it applies to mines, smelters and other trade exposed industries in B.C. in order to protect jobs during pandemic recovery.
- The MABC report states that B.C. is the only Canadian jurisdiction that does not provide supports to industries, including mining, to prevent carbon leakage – companies and workers moving to jurisdictions with low carbon tax rates or those with no carbon tax.

Message:

- Putting a price on pollution is the best way to fight climate change –the carbon tax provides predictability for B.C. businesses and helps companies stay competitive while reducing carbon pollution.
- But COVID-19 has hit people and businesses hard. The province delayed the scheduled increase to April 1, 2021. This provides some relief for those that heat their homes and buildings with natural gas or use gas/diesel in their vehicles.
- The Province also increased and expanded the B.C. Climate Action Tax Credit in July.
- B.C. continues to monitor the impacts from COVID-19 in all areas of the economy.
- While it's too soon to know the full extent of COVID-19's impact on carbon tax revenues it is anticipated that they will decrease with the delay.

BC Recovery Benefit

Background:

- The government promised a one-time payment of \$1,000 for families with incomes under \$125,000 and \$500 for single people with incomes under \$62,000.
- The government stated the BC Recovery Benefit would be provided to British Columbians through Direct Deposit.
- Premier John Horgan initially stated that the benefit would be provided to British Columbians before the end of December but stated in the media on Oct. 27/20 that it might not be possible to meet that target.

Message:

- At this time of year, children are back to school and the holiday season is approaching, parents can face additional costs.
- And some are struggling as they deal with job losses and rising costs due to COVID-19.
- That's why we're launching the BC Recovery Benefit – a majority of people and families in our province will be eligible for:
 - \$1,000 for families with incomes under \$125,000. Families earning up to \$175,000 will receive a reduced benefit amount.
 - \$500 for single people earning less than \$62,000. Single people earning up to \$87,000 will receive a reduced benefit amount.
- The BC Recovery Benefit is just one way we are putting money back into the pockets of people and families. We've also:
 - Eliminated MSP premiums – One of the largest tax cuts in B.C.'s history.
 - Implemented the Child Opportunity Benefit – Starting Oct. 20, 2020, almost all families in B.C. began receiving this benefit.
 - Made landmark investments in housing and childcare.
- Our investments in people and families are good news for local businesses that will benefit from people having additional dollars in their pockets to spend.
- The BC Recovery Benefit is part of our recovery plan that is built around people, communities, workers and our small businesses.

Top Media Issues Key Messages

C-19 Feminist Economic Recovery

Background:

- Inequality makes people who are systematically disadvantaged more vulnerable to the impact of disaster.
- Women are one of these groups and are at higher risk of long-term economic insecurity as a result of this pandemic because of their over-representation in part-time work and highly-affected sectors like health, education, home support, and hospitality/service industries. Women also make up 62% of minimum wage workers in B.C. and almost 82% of liquor servers (i.e. bars and pubs) are women.
- In addition, economic insecurity associated with the pandemic is more likely to be compounded by other factors and amplified for Indigenous women, LGBTQ2S+ people, youth and people with disabilities (a higher proportion of whom are women).
- In late July 2020, Feminists Deliver, which is a grassroots collaboration involving numerous organizations, issued a report calling for a feminist economic recovery plan that focuses on those most impacted by the pandemic who experience systemic inequities including women, girls, Two-Spirit and non-binary people.

Message:

- While we are making progress towards more gender equality in B.C.'s workforce, systemic barriers still exist and the pandemic has highlighted this fact.
- Women are one of the groups at risk of long-term economic insecurity as a result of the pandemic because many work part-time work and in jobs that have been most affected such as hospitality, retail, food services and personal care.
- Women are also most likely to be in a caregiving role – for children or elderly parents – sometimes both.
- The risk of long-term economic insecurity is further amplified for Indigenous women, women of colour, women with disabilities, non-binary people, and people in the LGBTQ2S+ community.
- While the job losses have been staggering and we have a long road ahead, many people have returned to work as businesses reopen.
- As B.C. works to recover, it's vital that all people – especially those who already face disadvantages – are supported and given the best possible opportunity to move forward.

Pay Equity

Background:

- A Conference Board of Canada report cites that B.C. has one of the highest pay equity disparities in Canada at 22.6%, with women making 77.4 cents for every dollar earned by a man.
- In general, drivers of the pay gap include the fact women are over-represented in lower paid jobs, under-represented in leadership and higher paid jobs, expectations for women around unpaid work and caregiving (which can lead to a drop in income), sexual harassment (a significant barrier to workplace advancement), lack of affordable childcare and wage discrimination (differences between earnings within the same or similar occupations).

Message:

- All workers deserve fair pay — too many women in B.C. are still making less than men for doing work of equal value.
- The majority of part-time, minimum wage and lower-paid workers are women, and many also face barriers to employment due to a lack of access to affordable childcare.
- Removing systemic barriers to pay equity is important — initiatives that help close the gap include:
 - Investments in childcare so no parent is forced to choose between their career and family – this is the single most impactful way we can close the gap.
 - Investing in housing for women creating a life after violence.
 - Giving extra support to women in skilled trades through enhanced employment and skills training so women stand to benefit from good paying jobs.

Murdered and Missing Indigenous Women and Girls

Background:

- Following the public release of the National Inquiry into Missing and Murdered Indigenous Women and Girls, Prime Minister Justin Trudeau said his government accepts all 231 recommendations in the report, and committed to implementing the report and outlining an action plan. Prime Minister Trudeau also confirmed he accepts the finding of the report that the deaths of indigenous women and girls amounts to genocide.
- B.C. supplied a written submission to the National Inquiry on December 14, 2018. Final oral and written submissions to the Inquiry were provided between Dec. 10 and 14, 2018.
- Under the leadership of Indigenous facilitator Elaine Alec (Alderhill Planning), a series of community dialogues were conducted in twelve communities across B.C. in 2019 to inform priorities for initial action in the path forward. On Aug. 5, 2020, the federal government co-hosted an information sharing session with B.C. on the development of a national action plan.
- On Oct. 14, 2020, a coalition on MMIWG issued a letter to the leaders of all B.C. political parties to fully implement the recommendations. The coalition is an alliance of organizations representing Indigenous women and their allies in women's anti-violence, human rights, and labour organizations that came together in 2010 to bring the violence against Indigenous women to public attention.

Message:

- It's clear that violence against Indigenous women and girls remains an urgent issue in our province and across the country.
- We recognize the enormous courage of the survivors and families who have brought us to this moment.
- In honour of the women, girls and two spirit peoples who have been stolen and those who have survived, we are committed to taking action and enacting change.
- Dismantling the underlying and systemic issues that result in Indigenous women experiencing violence at a much higher rate than non-Indigenous women is fundamental to true and lasting reconciliation and to advancing gender equality.
- We are committed to developing a path forward to end violence against Indigenous women, girls and two spirit people that will be directly informed by survivors, family members and communities.

Gender-based Violence

Background:

- The majority (87%) of victims of sexual assaults reported to police are female, particularly young women and girls. About two-thirds or 68 out of 100 domestic violence victims in Canada are women. Indigenous women are 3.5 times more likely than non-indigenous women to experience violence. The homicide rate is 7 times higher. LBGTQ2S+ individuals are more than two times more likely to be a victim of violence than their heterosexual counterpart.
- In addition, B.C. media have widely reported there are increasing concerns over increases in violence as a result of people needing to stay at home during the COVID-19 pandemic, in some cases with an abusive partner.
- The Battered Women's Support Services, which has a Vancouver-based crisis hotline for survivors of violence in intimate partner relationships, childhood sexual abuse and adult sexual assault has reported a 300 - 400 per cent surge in calls during the coronavirus outbreak. Executive Director Angela Marie MacDougall is quoted as saying the crisis line was getting close to 100 calls each day, up from dozens prior to the pandemic.
- Other media report that some agencies are saying they are not seeing the volume of calls they would expect, raising concerns that people may be trapped, unable to privately call a crisis line and unable to reach out while an abuser is watching.

Message - general:

- Sexual assault and violence all too often impact women, girls and gender diverse people, with devastating and long-lasting effects.
- Every week in our province, there are an estimated 1,000 physical or sexual assaults against women.
- Women, children and non-binary people are often at a higher risk of domestic violence, sexual assault and other forms of gender-based violence, and this danger has only increased during this pandemic.
- Anyone who is in danger should call 911.
- Immediate crisis support for people facing family or sexual violence is available through VictimLink BC's 24/7 telephone service at 1-800-563-0808 or by email at VictimLinkBC@bc211.ca.

Message – safe spaces for people leaving violence:

- Home should be a safe place for everyone but for many that is not the case.
- It's important for women and children to know there are safe places, compassionate care, and hope available when facing an abusive situation.
- Longer-term, affordable housing will give women options and make it easier for them to make decisions that are right for them and their children.
- Service provider in communities throughout B.C. will do everything possible to help them find the best option to ensure their safety and well being.

Child Care

Background:

- Access to quality, affordable childcare is one of the biggest barriers for people in achieving equal wages and employment opportunities. It has also been cited as a critical consideration for families during the COVID-19 pandemic with respect to employment.

Message:

- Every family should have access to quality, affordable child care, so parents can choose what works for them and their family.
- Empowering women improves the lives of their children and family, and benefits their entire community.
- It also narrows the gender pay gap and improves women's economic security.

COVID-19 and Child Exploitation Online

Background:

- Modern technology means children and young people have access to endless information and entertainment, and they can connect with people around the globe instantly. This abundant access can put them at risk of online predators, cyberbullying, exposure to inappropriate material and identity theft.
- Media have recently reported a significant increase of online sexual exploitation of children in Canada during the COVID-19 pandemic.

Message:

- Technology has revolutionized the ways we connect with one another and made the world accessible in brand new ways.
- At the same time, it has had a profound impact on children and young people, increasing risks to their physical and emotional safety, both online and offline.
- The COVID-19 pandemic has intensified risks for children as they spend more time online, often unsupervised.
- Keeping children safe from online sexual exploitation and abuse requires families and caregivers to be as involved in their children's lives online as they would in the physical world.
- It's important for children and teens to be aware of how to protect their safety and privacy online.
- Helpful practices include never sharing their location or personal information such as passwords, addresses and phone numbers; avoiding communication with strangers and never agreeing to in-person meetings; and ignoring messages from people they don't recognize.
- If you suspect that your child or someone you know is at risk of, or experiencing online sexual exploitation, please contact the police or VictimLinkBC.

Conversion Therapy

Background:

- Conversion therapy is an umbrella term that refers to a range of treatments and practices that aim to change the sexual orientation or gender identity of a person.
- On Dec. 13, 2019, federal ministers were provided with mandate letters, which included direction to the Minister of Justice and Attorney General to amend the Criminal Code to ban the practice of conversion therapy and take steps required with provinces and territories to end conversion therapy in Canada. The proposed changes to Canada's Criminal Code were introduced on March 9, 2020 and reintroduced on Oct. 1, 2020.

- The topic has gained public and media attention across Canada, most recently in the Globe and Mail in May 2020 following the Calgary City Council nearly unanimous vote to pass a municipal ban of advertising around conversion therapy.

Message:

- The practice of conversion therapy is widely known to be hurtful and traumatic.
- Attempting to treat or change a person's sexual identity is unethical, contrary to human rights and likely to cause a great deal of harm.
- We acknowledge the federal government's commitment to amend the Criminal Code and put an end to this dangerous practice in Canada.
- Conversion therapy has never been covered under B.C.'s medical services plan and is not a recognized therapy by regulated health professionals.

Industrial Work Camps

Background:

- The final report from the National Inquiry into Missing and Murdered Indigenous Women and Girls (MMIWG), which was completed in June 2019, heard testimony and examined evidence that industrial camps are linked to spikes in violence against women, girls and LGBTQ2S+ people. The inquiry did not make specific calls to justice regarding camps but developed general calls of action for extractive and development industries.
- Ongoing concerns have been raised by a number of community and Indigenous leaders, and media have widely covered the topic. The influx of large numbers of temporary workers who are often young males, have high disposable incomes, and spend long stretches of time in isolated camp settings has been cited in relation to concerns over violence and vulnerable women entering the sex trade.

Message:

- The concerns regarding the social impacts of industrial camps, including the safety of vulnerable members of B.C. communities, are understandable.
- Violence against women, girls and LGBTQ2S+ people remains an urgent issue in our province and across the country.
- It's important that all levels of government and Indigenous partners work to promote healthy communities; particularly when there is a large influx of workers.
- We know there is work to do regarding this issue and I'm confident that all parties involved understand the importance of ensuring the safety of women, girls and LGBTQ2S+ people in our communities.

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CABINET MEMBERS' REFERENCE GUIDE – OCTOBER 2020

A. Introduction

Orientation for Ministers 2020

INTRODUCTION

The Orientation for Ministers briefing materials represent advice from the Public Service that provides an overview for ministers respecting their roles and accountabilities as members of the Executive Council.

The materials provide information about key entities and processes of government, including how Cabinet and its committees function; standards of conduct for ministers and other officials; financial management; information management and FOI; and the roles of statutory officers of the Legislature and statutory decision-makers.

Note that the information in these materials does **not** constitute legal advice.

For more information about the Cabinet and Committee process, see the Cabinet Operations intranet site at <http://gww.cabops.gov.bc.ca/>.

For more information respecting a minister's role as Member of the Legislative Assembly, including Assembly procedures and services; managing a constituency office; and remuneration and benefits, see the "Member's Guide to Policy and Resources" on the Legislative Assembly's website at <https://members.leg.bc.ca/>.

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C. Cabinet Processes

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1. CABINET AND COMMITTEE DECISION-MAKING PROCESSES

Cabinet

Cabinet, or Executive Council, is established under section 9 of the *Constitution Act*. It is the ultimate decision-making body for government.

Functionally, Cabinet is a collective body of Ministers deciding significant government issues. Deliberations and decisions are focused on strategic priorities and substantive issues, as well as accepting or rejecting recommendations in relation to such matters. The legal powers of the executive are exercised by those with statutory authority to act (for example the Lieutenant Governor in Council or individual Ministers).

As a matter of course, significant decision or actions are first discussed and collectively agreed on by Cabinet. Cabinet determines and regulates its own procedures. Final decisions on Cabinet procedures rest with the Premier, as chair of Cabinet.

The frequency of meetings of Cabinet is determined according to the wishes of the Premier and according to the volume of material proposed for review. Cabinet's meeting schedule has been both weekly and bi-weekly.

Cabinet Committees

Cabinet could not operate effectively if all proposals were brought directly to the Cabinet table. Accordingly, Cabinet normally establishes committees to discuss and analyze proposals specific to certain sectors. Cabinet committees provide recommendations to Cabinet for review and approval. This helps focus recommendations to Cabinet on a narrower set of policy options and save time at the Cabinet table, while still allowing for a detailed discussion of the matter at the committee.

The Cabinet committee process is designed to move items efficiently and effectively and promote shared decision-making. Membership of all Cabinet committees is determined by the Premier. The Chair of Treasury Board is the Minister of Finance, as per section 3 (1)(a) of the *Financial Administration Act*. Minutes of all Cabinet committees are recommendations to Cabinet and are not final until approved by Cabinet.

Two committees, Treasury Board and the Environment and Land Use Committee (ELUC) are established in legislation and must be properly appointed if authorities under sections 3 and 4 of the *Financial Administration Act* and sections 2, 3 and 4 of the *Environment and Land Use Act*, respectively, are to be exercised. Additional committees may be established to meet general or specific needs.

Prior to the swearing-in of the new cabinet following the October 2020 election, there were 10 Cabinet committees supporting the Executive Council in its decision-making:

Priorities and Accountability

Ensures items moving through Cabinet and committees are government priorities and consistent with government's strategic plan and priorities. This committee considers items and issues that are potentially controversial and divisive; then discusses and determines how to best shape and present items for Cabinet's consideration. It also sets priorities for legislative drafting and assists Government Communications and Public Engagement in establishing key communication objectives for the year.

Treasury Board

Treasury Board is mandated by the *Financial Administration Act* as a committee of the Executive Council in matters relating to government's accounting policies and practices, management practices and systems and financial management and control. Treasury Board also evaluates the economy, efficiency and effectiveness of government programs and examines matters of government personnel management or other matters referred to it by the Executive Council. The majority of members of the Treasury Board must be members of the Executive Council. Treasury Board has prescribed powers under the Act to make regulations or issue directives.

Environment and Land Use Committee

The Environment and Land Use Committee is mandated by the *Environment and Land Use Act* to establish and recommend programs to foster increased public concern and awareness of the environment. It also considers the preservation and maintenance of the natural environment in the administration of land use and resource development and can make recommendations to the Lieutenant Governor in Council on matters relating to the environment and the development and use of land and other natural resources. The Committee may study any matter related to the environment or land use, prepare reports, and, if advisable, make recommendations to the Lieutenant Governor in Council. It has the power to hold a public inquiry, appoint technical committees and make regulations. The majority of members of the Environment and Land Use Committee must be members of the Executive Council.

Legislative Review Committee

Reviews draft legislation clause by clause to ensure it meets the policy intent and direction approved by Cabinet or one of its Committees. Items are scheduled for the Legislative Review Committee agenda once a Certificate of Readiness of the draft legislation has been signed by the responsible Minister or the Minister's designate. It is the final cabinet-level review of draft legislation before introduction in the House.

Cabinet Committee on Sustainable Shared Prosperity

Reviews proposals that contribute to the creation of a vibrant and environmentally sustainable economy in British Columbia.

Cabinet Committee on Social Initiatives

Reviews proposals for making life more affordable and tackling poverty and inequality.

Cabinet Committee on Reconciliation

Reviews proposals for advancing reconciliation with Indigenous peoples in BC such as the new fiscal relationship and the *Declaration on the Rights of Indigenous Peoples Act*.

Cabinet Working Group on Child Care

Reviews proposals related to development and implementation of a universal child care system.

Cabinet Working Group on Mental Health and Addictions

Reviews proposals responding to the opioid crisis and delivering BC's Mental Health and Addictions Strategy.

Cabinet Working Group on Housing

Reviews proposals to develop cross-government solutions and strategies to meet government's objectives for affordable housing.

Annual Planning Cycles

The annual planning cycle of government is comprised of three distinct planning cycles: the Strategic Planning Process, the Budget Planning Process, and the Legislative Planning Process.

Strategic and Performance Planning

Historically, the Strategic Planning cycle begins in preparation for Cabinet's planning session. An analysis of the prior year's public accounts and annual reports is conducted to inform discussions. It is at this session that Cabinet determines the broad objectives and key deliverables for the upcoming year and direction for subsequent years. Decisions and direction are then used by ministries and Crown agencies on the development and annual updating of their individual three-year service plans. Once ministry service plans have been prepared, they are reviewed to ensure they are consistent with the strategic priorities of government as outlined in its strategic plan and to ensure corporate delivery of priorities. Crown agency service plans are reviewed by Crown agency boards. Both are approved by the minister responsible.

The strategic plan and the ministry service plans are tabled in February, as required under sections 12 and 13 of the *Budget Transparency and Accountability Act* and released simultaneously with the budget. The strategic plan provides guidance and direction to the development of ministry plans and corporate initiatives and is directly linked to the budget. The plan is monitored and reported on annually to ensure accountability for delivery and in preparation for the next planning session.

Budget Cycle

Typically, the budget review process begins in the Fall, and involves Treasury Board reviewing ministry requests for additional resources, for new initiatives or to manage funding pressures. Instructions to ministries on government priorities for the coming years and how ministry requests are to be presented (e.g. whether there are any identified thematic envelopes) are normally issued in the summer months. Treasury Board decisions are made in December using the latest economic and fiscal forecasts. In January, there may be minor adjustments made as budget economic and revenue forecasts are finalized. As a matter of budget confidentiality, there are no Cabinet minutes pertaining to budgetary decisions.

Advice/Recommendations

Legislation Cycle

Each year, Cabinet reviews and approves a list of legislative proposals. Policy changes must be considered by Cabinet before any legislative drafting begins.

If a legislative proposal is approved, the ministry will be asked to develop a formal “Request for Legislation” (RFL). The policy proposed by the RFL will be reviewed by an appropriate Cabinet committee, which will make recommendations to Cabinet. If approved, the ministry will receive written notice confirming they should begin working with legislative counsel to draft legislation. The material should be provided to the drafters as soon as possible, ideally several months before the legislation is scheduled to be introduced. The ministry should ensure that it provides full policy support to legislative drafters. Ministers are responsible for monitoring and ensuring progress in the development of their legislation.

Draft legislation is submitted for review to the Legislative Review Committee to ensure the draft is in accordance with approved policy and priorities. Approved drafts are finalized and prepared for introduction into the House. The timing of introduction is managed by the House Leader.

Orders in Council (OICs) and Regulations

Cabinet also reviews and approves other statutory instruments, such as Orders in Council and regulations, which are made under the authority of a particular Act. An Order in Council may be used to:

- Bring legislation into effect;
- Create or make changes to a regulation; or
- Make or rescind an appointment to a senior position in the public service (e.g. Deputy Minister) and to various agencies, boards and commissions.

The Minister and the ministry are responsible for ensuring that Orders in Council are brought forward well in advance of critical expiry dates and other time pressures.

The Crown Agencies and Board Resourcing Office (CABRO) presents recommendations to Cabinet concerning appointments of heads/ chairs or members of various agencies, boards and commissions. The Minister and the ministry are responsible for ensuring that Orders in Council are brought forward well in advance of critical expiry dates and other time pressures.

For further reference

The following hyperlink is to the government’s Strategic Plan for 2020 (pre-COVID):

https://www.bcbudget.gov.bc.ca/2020/pdf/2020_Strategic_Plan.pdf

2. LEGISLATIVE PROCESS

Cabinet Operations, Legislative Counsel and ministry staff support the development of government's legislative agenda aligned with the priorities set by government.

This document describes the process used to set priorities in developing the legislative agenda. It is provided for information purposes only.

Often the demand for legislation outstrips the capacity for development and debate. Tight coordination of the approval and development process ensures that the finite resources are directed to government's highest legislative priorities.

Under the direction of the Cabinet Secretary, and according to the priorities determined by Cabinet and the House Leader, Cabinet Operations coordinates the legislative processes as described below. Tax related budget legislation follows a different process and is described in the Budget Legislation section below.

Setting the Legislative Agenda

Legislative Proposals

Cabinet Operations tracks legislative proposals for upcoming and future legislative sessions. A legislative proposal consists of a short, plain-language description of what the proposed legislation or amendment to existing legislation would do. An estimate of the magnitude of the legislative drafting effort (major/minor/moderate) associated with each proposal is also made. Legislative proposals are used to set priorities for legislative development and allow an early check-in with Cabinet and its advisors before ministries or Legislative Counsel invest in the development of Requests for Legislation.

Benefits of development of legislative proposals include:

- Allowing early notice to prepare legislative agenda items (especially important for major initiatives that may require multi-year development);
- Allowing more optimal timelines for required policy work, consultations and Cabinet and Treasury Board approvals;
- Optimizing planning and resource allocation of finite policy and legislative drafting resources; and
- Providing increased opportunities for strategic coordination and scheduling of Bill Introduction and announcement.

Cabinet Approval of Legislative Plans

Cabinet Operations consults the Cabinet Secretary, Chief of Staff's Office and House Leader's Office to prioritize legislative priorities for upcoming legislative sessions and tracks proposals identified for future

consideration. Priorities are established according to key policy goals of Cabinet, legal and fiscal imperatives. Deputy Ministers are asked to confirm that the legislative proposals associated with their ministry represent the key items required to meet government's priorities. Cabinet is then presented with a proposed corporate priority list for its next legislative session. Legislative Counsel's drafting capacity and available House time are taken into consideration by Cabinet when determining approval of the priority list.

Cabinet's decisions respecting the Legislative Agenda are communicated to Ministers by way of a Cabinet Record of Decision (ROD). Together these decisions comprise Government's Legislative Agenda.

In practical terms, the ROD indicates which items proposed by a ministry are approved to move towards the development of a Request for Legislation (RFL). The ROD may also explicitly indicate which items are not approved or are deferred to a future year.

Cabinet Operations facilitates the preparation of legislative priorities for review by Cabinet, tracks Cabinet's decisions and the assignment of relative priorities. Following the distribution of RODs, approved items are monitored closely, and progress reports are provided to Cabinet.

Development of Legislation

Policy Review and Approval

Policy options should be fully considered and clear policy direction obtained through the regular Cabinet decision-making process before an RFL is submitted for approval. The onus is on the sponsoring Minister to ensure appropriate and timely review (including cross-ministry and Treasury Board approvals) to resolve policy and fiscal issues at the earliest opportunity and ensure progress of the legislative agenda is not delayed. The Ministry is also responsible for addressing any unanticipated policy issues that may emerge during the drafting process.

Cabinet Operations provides information and support to ministries throughout this process and, along with other agencies, coordinates required approvals. Ministries are responsible for ensuring the proposed legislation complies with relevant statutes and agreements. Depending on the purpose and scope of the legislation, examples may include:

- the *Community Charter, Local Government Act or Local Government Grants Act*;
- the *Declaration on the Rights of Indigenous Peoples Act*;
- First Nations with treaties;
- the *Freedom of Information and Protection of Privacy Act*;
- the Canada-United States-Mexico Agreement (CUSMA);
- Canadian Free Trade Agreement;
- the Trade, Investment and Labour Mobility Agreement (TILMA);

- the New West Partnership Trade Agreement; and
- the Public Service Agency, Public Sector Employers' Council Secretariat.

Request for Legislation (RFL)

Ministers are responsible for the timely development and submission of RFLs for all items approved to proceed as communicated in Cabinet's decision respecting the upcoming legislative agenda. The purpose of the RFL is to describe the proposed legislation in sufficient detail for full understanding of the context of the proposal, the problem the legislation is intended to address, and how the legislation is expected to resolve the problem. The RFL also provides detailed drafting instructions to Legislative Counsel.

Ministry staff consult with their solicitor in advance of submitting the RFL to ensure any potential legal issues or conflict of interest that could directly or indirectly affect the initiative are identified.

The RFL is comprised of the following parts:

- Main Body – provides the overview and context, presenting the case for legislation, relevant background details, policy choices and articulates how the proposed legislation will achieve policy objectives;
- Appendix A – Legislative Counsel Comments: legal advice to Cabinet respecting the proposed legislation;
- Appendix B – Treasury Board Staff Comments: assessment of the financial implications, including total cost or benefit to government for implementation of the proposed legislation;
- Appendix C – 3 Column Document: detailed item-by-item breakdown defining the problem, describing the proposed changes and why the proposed approach was chosen; and
- Appendix D – Drafting Instructions: specific details for Legislative Counsel respecting the drafting of the legislative provisions.

Committee Review of RFLs

Cabinet Committees are charged with reviewing the majority of RFLs and making recommendations to Cabinet respecting approvals. Only RFLs most salient to government's key priorities are reviewed by Cabinet or the Priorities and Accountability Committee directly. Approvals are communicated to ministers by way of a Cabinet ROD. This ROD constitutes "approval to draft" legislation and engage Legislative Counsel and other resources as necessary.

Drafting Legislation

Ministers are responsible for monitoring and ensuring progress of their approved legislative items. Ministries are expected to provide full policy support to the drafting process and should be proactive in confirming policy direction or approvals or, where warranted, seek further direction in a timely manner. Legislation drafting teams are led by a ministry Instructing Officer who is responsible for delivery of the

ministry's legislation. Ideally, Instructing Officers should have ready access to ministry decision-makers and keep them well informed respecting development status of the legislative initiative.

Other members of the drafting team include additional policy staff, the ministry's advising solicitor and Legislative Counsel drafters.

Cabinet Operations monitors and tracks the progress of legislation and schedules draft legislation for presentation to the Legislative Review Committee.

Legislative Review Committee Approval

The Legislative Review Committee (LRC) reviews final draft legislation on a clause-by-clause basis to ensure the draft legislation reflects Cabinet's policy intent. All consultations, including Treasury Board review, need to be completed prior to LRC review. LRC is the last Cabinet-level review of legislation before it is introduced in the House.

Once approved by LRC, Legislative Counsel packages the draft legislation for Introduction. The packaging of Bills is directed by the House Leader.

Introduction of Legislation in the House

The timing of Introduction of legislation is directed by the House Leader. Close communication between the House Leader's Office, Cabinet Operations and the Chief of Legislative Counsel is essential to ensuring Bills are ready in accordance with House Leader's schedule for Introduction. Ministries receive information about the timing of introduction from their Minister's Office, who receives the information from the House Leader's Office. Timely communication with the relevant Minister is important to ensure that the Minister's House briefing materials can be prepared by Ministry staff to meet the scheduled introduction date.

Budget Legislation

The Budget legislation (traditionally the *Budget Measures Implementation Act* (BMIA)) is a key part of the provincial government's annual budget package and is a collection of legislative initiatives necessary to implement the budget. This legislation – which may contain both tax and non-tax measures – is part of the Ministry of Finance's budget process and does not follow the regular legislative review process.

What is the *Budget Measures Implementation Act*?

The *Budget Measures Implementation Act* (BMIA) is traditionally tabled on budget day by the Minister of Finance. The bill is composed of initiatives that are necessary to implement the budget or that affect the presentation of the Estimates. The BMIA is typically made up of two parts: tax measures and non-tax measures.

Tax initiatives in the BMIA generally include measures that:

- change tax policy (e.g. changes in tax rates or changes to the tax base including expansions or

contractions such as tax credits, exemptions or refunds);

- change fundamental aspects of a tax scheme; and
- respond to time sensitive or critical issues (e.g. adverse court decisions).

Note: A budget measure to create a new tax would normally be contained in a stand-alone Act separate from the BMIA, but would generally follow the same process as that described below for tax measures contained in the BMIA.

Non-tax initiatives in the BMIA generally include measures that:

- create or eliminate a Special Fund / Special Account / Financing Transaction;
- convert a Vote or a Special Account to a Crown corporation;
- convert a Crown corporation to a new Vote or to be a part of an existing vote;
- provide legislative support required for introduction of a new program that is included in the budget; and
- anything else that affects the Estimates presentation or other aspects of the budget.

Budget Measure Requests

Ministry non-tax budget submissions are submitted by ministries via a Budget Measure Request (modeled after the Request for Legislation). They are reviewed by the Fiscal Planning and Estimates Branch (FPE) of Treasury Board Staff, Ministry of Finance, before being submitted to and vetted by the Deputy Minister of Finance. Ordinarily, only those initiatives considered necessary to the implementation of the budget move beyond this stage. Final approval of budget legislation rests with the Minister of Finance.

Tax-related budget issues are handled internally in the Tax Policy Branch in the Ministry of Finance and do not require a formal budget measure request. These issues are presented by the Branch to the Deputy Minister of Finance and Minister of Finance. The Minister of Finance makes final tax decisions and determines with the Premier how and when to consult Cabinet and others, as part of the decision-making process. The benefits of this inclusive approach have to be weighed against the risks associated with the sensitivity of tax policy information.

All proposals accepted for the budget bill are then forwarded to Legislative Counsel for drafting of legislation. Legislative drafting teams made up of Ministry of Finance staff, sponsoring ministry officials (where applicable), legal counsel and legislative counsel are created to transform the budget measure request into legal text.

Neither tax nor non-tax budget amendments are normally reviewed by the Legislative Review Committee. However, the Premier or Minister of Finance may request that the committee review pieces of significance.

Further details of the Budget legislative process, based on the annual budget cycle for a February Budget, are below.

Stages in the Budget Legislative Process

The following stages of the Budget legislative process are based on the annual budget cycle for a February Budget.

Initiative Identification / Policy Development / Decisions

Tax Measures: August/September to December/January

- *Issue Identification*

Tax policy issues are identified in a variety of ways, including direction from the Minister to examine particular issues; requests from stakeholders; and issues flagged by provincial tax administrators/tax appeals and/or tax policy experts.

The analysis of some tax issues will involve knowledge of highly confidential taxpayer information (for example, knowledge of tax liabilities of particular corporations). The use and disclosure of this information is the subject of taxpayer confidentiality provisions in tax acts. In other cases, advance knowledge of proposed or final tax policy decisions may confer unfair benefits to individuals and businesses able to take advantage of the knowledge. In either situation, if information is handled incorrectly there will be calls for the Minister of Finance to resign.

As a result, and as is the case in other provinces, the approval process for tax decisions is somewhat different than the process used for approval of other policy decisions.

- *Minister of Finance Briefings for Decision*

An extensive series of staff briefings to review and consider Revenue Binder Notes for decision generally occurs between October and December.

To facilitate legislative drafting prior to Budget Day, most final decisions are made by mid-December (and earlier, if possible). The Minister of Finance makes final tax decisions and determines with the Premier if, how and when to consult Cabinet and others.

Non-Tax Measures: October - December

- Potential issues that may require legislation / regulation changes are identified throughout the fall. As with tax measures, issues may be identified in a number of ways, including internal Ministry of Finance analysis, requests from other ministries, or as a result of the annual Budget Consultation.
- A Budget Measure Request (BMR) package is completed for each measure put forward. This package includes a briefing note signed by the minister responsible and drafting instructions.
- Final submissions are compiled for review by the Deputy Minister of Finance and the Minister of

Finance for decision. Ministry contacts will be informed of decisions on which proposals have been tentatively accepted into the budget process, and therefore will be moving on to the drafting stage.

Drafting Stage / Signoff / Tabling

Tax Measures: October– February

- Immediately following final decisions being made, a legislation drafting team is assigned to each tax-related budget measure. Drafting teams are responsible for ensuring that the government’s policy objectives are accurately and fully reflected in the draft legislation.
- The final tax legislation is reviewed by the Deputy Minister of Finance and the Minister of Finance and a signed Certificate of Readiness is prepared.
- Tax-related budget measures are not reviewed by the Legislative Review Committee.

Non-Tax Measures: January - February

- In early January, a legislation drafting team is assigned to each budget measure selected for inclusion in the bill. Drafting teams are responsible for ensuring that the government’s policy objectives are accurately and fully reflected in the draft legislation.
- Measures may be reviewed by the Legislative Review Committee. The sponsoring Minister would ordinarily attend the Legislative Review Committee for this review (ministry staff may attend to deal with technical questions).

Debate of Budget Legislation

Tax Measures: Post Budget

- Budget legislation goes through the same stages of debate as regular legislation.
- The Tax Policy Branch prepares speaking notes and briefing materials regarding the tax measures for each stage of the budget bill’s debate (first reading, second reading, committee (section notes), and third reading).
- Staff from the Tax Policy Branch provide support for the Minister of Finance during the committee debates of the tax aspects of the budget bill.

Non-Tax Measures: Post Budget

- Budget legislation goes through the same stages of debate as regular legislation.
- The Fiscal Planning and Estimates Branch (FPE) coordinates the preparation of speaking notes and briefing material for each stage of the budget bill’s debate (first reading, second reading,

committee, third reading). These will be based on the information provided in the Budget Measure Request.

- Ministries will be expected to prepare section notes for the committee stage of debates. A template will be provided to ministries to ensure the consistency of section notes.
- A ministry representative may be called upon to provide support during the committee debates of the budget bill.
- The Minister of Finance may also request that the sponsoring Minister respond to questions regarding the sections of the budget bill corresponding to their requested budget measure.

3. ORDERS IN COUNCIL

Orders in Council (OICs) are instruments by which the Province implements a variety of staffing, administrative and regulatory changes. They require approval by Cabinet before being advanced to the Lieutenant Governor for signature and enactment. There is a corporate, cross-government process for developing and scheduling OIC materials for review by Cabinet.

Current Process

Working with ministries, Cabinet Operations schedules OICs for Cabinet review and reviews each OIC for completeness. Ministries submit an information package and “tagged” OIC (see next section on Legal Advice on OICs) to Cabinet Operations. The information package describes why the OIC is needed, timing considerations, engagement with Indigenous Nations, stakeholder feedback and fiscal matters. Cabinet Operations then prepares an OIC summary document for each Cabinet meeting of the OICs scheduled for review and distributes this summary with other Cabinet meeting materials. Deputy Ministers are responsible to ensure their minister is briefed and prepared to speak to their respective OICs at Cabinet.

If approved by Cabinet, each OIC is provided by Cabinet Operations to the Presiding Member of the Executive Council for signature, and then in turn to the Order in Council Office, which obtains the signature of the Lieutenant Governor (LG), or in the LG’s absence, the Administrator (Chief Justice of the B.C. Court of Appeal). **The moment the LG’s signature is affixed, the OIC becomes law.** The OIC is then posted on Queen’s Printer’s BC Laws website.

Cabinet may also defer or decide not to approve an OIC and in some cases Ministers may decide to withdraw an OIC prior to a Cabinet meeting. OICs that are withdrawn or deferred can be rescheduled once any follow-up is completed. OICs that are not approved by Cabinet do not advance further.

Legal Advice on OICs

Legislative Counsel in the Ministry of Attorney General draft OICs on instructions from policy and legal staff in the sponsoring ministry and review background materials and authorizing statutes. Legislative Counsel also prepare a brief legal opinion of the content and statutory authority of each OIC and append the legal opinion to the OIC as a “tag”. There are three colours of tags:

- Green - no identified legal risks or issues.
- Yellow - timing sensitivities, or some legal risks or issues exist if the OIC is approved.
- Red - represents a strong legal caution as the risks or legalities are significant to the point that Legislative Counsel does not recommend the OIC proceed. If a “red-tagged” OIC proceeds to Cabinet for consideration, the sponsoring ministry may be asked to provide a Cabinet submission explaining the issue and decision in detail.

Corridor Orders

Corridor Orders are OICs that are processed and approved without going to Cabinet for deliberation. Approval is provided by the Premier on behalf of Cabinet. Corridor orders are only used in exceptional circumstances where there would be significant consequences from waiting until the next Cabinet meeting. All corridor orders are reported for information to Cabinet at its next meeting.

Premier's Prerogative

There are certain OICs that are based solely on the Premier's prerogative and are processed as corridor orders. Traditionally, these are *Constitution Act* OICs which involve creating or changing members of Executive Council and the organization of the government, including Cabinet committees and ministry responsibilities. They can also include staffing and appointments to the public service, ministers' offices and the Government Communications and Public Engagement. Approval is provided on behalf of the Premier by either the Chief of Staff, or the Cabinet Secretary, depending on the nature of the appointment.

Proclamations

A proclamation is recognition by the provincial government of events or occasions held by groups on their own behalf or for the general public. During the last few years Cabinet has, by OIC, delegated its approval for proclamations to the Attorney General. Through this delegation the Attorney General has authority to approve and sign provincial proclamations on behalf of Cabinet. Approval of proclamations is required each year or time an event or occasion occurs. Types of events or occasions suitable for proclamations are those that are: apolitical; observe milestones, recognize achievements or direct attention to a worthy cause; and would not be considered offensive or frivolous by the public. Each year, the Order in Council Office receives hundreds of requests from individuals, organizations as well as from within government, requesting a provincial proclamation to mark a special day or event. Individuals or groups can submit requests, including draft wording for the proclamation, to the Order in Council office located in the Ministry of the Attorney General. Such requests should be received at least six weeks before the event or occasion.

OIC Responsibility Table

Participants, and their roles, in the Order in Council development, review and approval process include:

Organization	Role(s)
Office of the Premier	<ul style="list-style-type: none"> Approves OICs to be signed outside of the Cabinet process (corridor Orders.)
Cabinet Operations	<ul style="list-style-type: none"> Prepares OIC Summary report for Cabinet binder Supports the Cabinet Secretary to brief the Premier Receives, quality assures and summarizes OICs and associated documents ready for Cabinet review Administers the review and approval processes at Cabinet level (maintains schedules, facilitates review, acquires signatures, maintains files, etc.) Provides Cabinet-approved OICs to Order in Council Office
Ministries	<ul style="list-style-type: none"> Maintains inventory of required OICs and renewals Issues instructions to Legislative Counsel to create an OIC Obtains DM approval on OIC and associated materials Briefs minister and acquires ministerial sign off Provides final OIC and associated materials to Cabinet Operations
Legislative Counsel	<ul style="list-style-type: none"> Reviews legal context, drafts and “tags” the OIC, providing legal advice. OICs are “tagged” green, yellow or red.
Order in Council Office	<ul style="list-style-type: none"> Receives OICs as approved by Cabinet Acquires signature of Lieutenant Governor/ Administrator Uploads completed OICs to BC Laws for publication
Crown Agencies and Board Resourcing Office	<ul style="list-style-type: none"> Maintains inventory of agency, board and commission appointments, vacancies Maintains a candidate list Assesses candidates and provides recommendations on their suitability Briefs relevant minister, Deputy Minister of Government Communications and Public Engagement Prepares CABRO OIC Summary report for Cabinet binder Provides Cabinet-approved OICs to Order in Council Office

Attachment 1 – Example of OIC Summary Document for Cabinet

ORDERS IN COUNCIL

Cabinet Summary

Month XX, 2020

FOR DECISION			
	MIN	PURPOSE OF ORDER	STATUTE
Non-CABRO Appointments			
1.	AG O1234	Appoints Jane Doe of Nanaimo as a Justice of the Peace in and for the Province of British Columbia. The Chief Judge of the Provincial Court of BC has requested this appointment.	<i>Provincial Court Act</i> , R.S.B.C. 1996, s. 30 Approval requested at Cabinet's earliest convenience
FOR DECISION			
	MIN	PURPOSE OF ORDER	STATUTE
2.	FIN O5678	Approves the remission of property transfer taxes paid in the amount of \$10,000 to Jane Doe. Remission of transfer taxes paid is requested on the basis of great injustice. The Ministry of Finance supports this order.	<i>Financial Administration Act</i> , R.S.B.C. 1996, s. 19 Approval requested at Cabinet's earliest convenience
3.	IRR O3456	Approves the transfer of a 10 hectare parcel of land to Canada for the settlement of a specific claim in accordance with the associated First Nations settlement agreement. This order affects the constituency of XYZ.	<i>Land Act</i> , R.S.B.C. 1996, s. 15 (5) and 31 Approval requested at Cabinet's earliest convenience

4.	AG +0 Reg Count R4567	Approves the request by the District of ABC to be added to the Bylaw Notice Enforcement Regulation effective July 30, 2021. This allows them to participate in an efficient system for issuing notices and resolving matters for minor bylaw infractions (e.g. parking tickets or dog licenses). MLAs XXX and XXX support this order.	<i>Local Government Bylaw Notice Enforcement Act,</i> S.B.C. 2003, s. 29 Approval required by July 30, 2021
FOR INFORMATION ONLY - CORRIDOR ORDERS			
	MIN	PURPOSE OF ORDER	STATUTE
5.	PREM 456	Appoints Jane Doe as Administrative Coordinator in the Office of the Minister of XYZ. - Signed by the Administrator on January 16, 2020	<i>Public Service Act,</i> R.S.B.C. 1996, s. 15
6	PREM 457	Appoints John Doe as Communications Manager with Government Communications and Public Engagement. - Signed by the Lieutenant Governor on February 1, 2020	<i>Public Service Act,</i> R.S.B.C. 1996, s. 15
FOR INFORMATION ONLY - PROCLAMATIONS			
	MIN	PURPOSE OF ORDER	STATUTE
7.	AG	Proclaims January 29 to February 4, 2020 as <i>"Proclamation Week"</i> in the Province of British Columbia. - Signed by the Administrator on January 9, 2020	Prerogative

Attachment 2 – OIC Information Template Currently Used by Ministries

Order in Council Cabinet Summary Information

This Template Last Updated: March 6, 2020

Ministry:

Date
Prepared:

Cliff #:

OIC Log #:

The information below will enable Cabinet Ministers to have a clear and complete picture of the decision points, shifts in policy, risks, implications, outstanding issues and timing sensitivities related to the Order in Council and that all necessary consultations have been completed. The ministry is responsible for ensuring the information below will enable an informed decision by Cabinet.

All sections must be completed unless non-CABRO appointment.

1. Type of OIC	<input type="checkbox"/> Non-CABRO* appointment – <u>Complete Sections 1 to 5 only</u> <input type="checkbox"/> Not a regulation <input type="checkbox"/> Regulation - provide Regulatory Count: ____
* Crown Agency Board Resourcing Office	
2. Timing Requirements for Cabinet review and approval	

<p>a) Select all that apply. Include rationale.</p>	<p><input type="checkbox"/> No Timing Requirements/At Cabinet's earliest convenience</p> <p><input type="checkbox"/> RUSH - Cabinet approval is requested / required by _____ because:</p> <p>(Check all that apply)</p> <p><input type="checkbox"/> Legal requirement - Per Legislative Counsel's comments, the OIC must be made/deposited by the date specified.</p> <p><input type="checkbox"/> Advance Notice - In order to give stakeholders sufficient time to adapt to the proposed change, the ministry would like to provide _____ amount of lead time between when the OIC is approved and when it takes legal effect.</p> <p><input type="checkbox"/> Media requirement. A public announcement is planned.</p> <p><input type="checkbox"/> Other _____</p>
<p>b) Why is the OIC required now and what are the consequences if not approved now?</p>	<ul style="list-style-type: none"> • •
<p>c) Should this OIC be held after approval?</p>	<p><input type="checkbox"/> NO - Process normally</p> <p><input type="checkbox"/> RUSH - Process by __DD/MMM/YYYY. Please explain why. _____</p> <p><input type="checkbox"/> YES - Hold until __DD/MMM/YYYY. Please explain why. _____</p>
<p>3. Communication</p>	
<p>What, (if any), is the current communication plan?</p>	<ul style="list-style-type: none"> • • <p>REMINDER: A copy of this OIC Summary Information document signed by the Deputy Minister is to be submitted to Nammi Poorooshasb, ADM, Strategic Communications Division, GCPE.</p>

4. Authorizing Act and section number(s)	
5. Purpose, Content and Context (OIC “Essence”)	•
a) In plain language, please explain what this OIC does? What problem it solves? What is the effect?	•
b) Are there gender and diversity implications that should be considered? Guidance for Gender Based Analysis Plus (GBA+) in Cabinet and Treasury Board Submissions. Click here for more information	<input type="checkbox"/> NO - If no, please explain why there are no implications _____ <input type="checkbox"/> YES - If yes, what were the findings? _____
c) Is this OIC in response to direction from Cabinet or one of its Committees or Working Groups?	<input type="checkbox"/> NO <input type="checkbox"/> YES - If yes, provide committee & meeting date: _____
d) Who requested this change? Stakeholder, Cabinet direction, legal requirement, Ministry staff? And why?	•
6. Fiscal Management Considerations	•
a) Is Treasury Board review required?	<input type="checkbox"/> NO - if no, why not? _____ <input type="checkbox"/> YES - If yes, provide date of approval: _____

b) Who at Treasury Board Staff reviewed this information and what comments did they provide?	<ul style="list-style-type: none"> [Name of analyst]
c) Is there a cost to Government to implement this OIC?	<input type="checkbox"/> NO <input type="checkbox"/> YES - If yes, provide amount, percentage increase or decrease, and description of cost: <hr/>
d) Is there a Fine, Fee or Administrative Penalty? For more guidance: Click here	<input type="checkbox"/> NO <input type="checkbox"/> YES - If yes, provide date of Treasury Board approval <hr/>
7. Business and Economic Implications	
a) Has your Ministry submitted/will it be submitting the Business and Economic Implications Form to JEDC?	<input type="checkbox"/> YES, submission date: _____ <input type="checkbox"/> NO - If no, please explain why not <hr/>
Briefly summarize the findings of the assessment. Guidance for the Business and Economic Implications Framework in Cabinet Submissions. Click here for more information	<ul style="list-style-type: none">
8. Indigenous Peoples	

<p>a) Does this OIC advance Government's commitment to reconciliation?</p> <p>For more guidance: Click here for more information</p>	<p><input type="checkbox"/> NO - If no, please explain _____</p> <p><input type="checkbox"/> YES - If yes, please indicate how _____</p>
<p>b) Have the Indigenous Peoples and Indigenous organizations who may be impacted by this OIC been engaged?</p>	<p><input type="checkbox"/> NO - If no, please explain why not _____</p> <p><input type="checkbox"/> YES - If yes, what views were expressed? _____</p>
<p>c) Does this OIC potentially affect Indigenous Peoples' rights and title?</p>	<p><input type="checkbox"/> NO</p> <p><input type="checkbox"/> YES - If this OIC has the potential to adversely affect rights protected under s. 35 of the <i>Constitution Act, 1982</i> (Aboriginal rights and title, treaty rights), attach opinion from the Indigenous Legal Relations, Solicitors Unit, as to the sufficiency of the consultation process undertaken. (Contacts at the ILR: Geraldine Hutchings and Paul Yearwood).</p>
<p>d) Does this OIC potentially affect Indigenous Peoples' treaty rights?</p> <p>If a regulation may/will impact a treaty nation, notification and/or consultation should take place in accordance with the treaty.</p> <p>First Nations with treaties. Click here for more information.</p>	<p><input type="checkbox"/> NO</p> <p><input type="checkbox"/> YES - If this OIC has the potential to affect treaty rights, indicate whether the advising solicitor from the Indigenous Legal Relations, Solicitors Unit, is satisfied he consultation process undertaken is sufficient. (Contacts at the ILR: Geraldine Hutchings and Paul Yearwood).</p>

<p>9. Stakeholder and Affected Party Consultations</p> <p>Who is impacted and when were they consulted? List stakeholders and indicate consultation dates and support or concerns raised. Stakeholders may include local governments, external stakeholders, and Government ministries, Crowns & agencies.</p>	<ul style="list-style-type: none"> •
<p>10. Application & government MLA support</p> <p>MLA support is required if the OIC affects specific electoral districts that are represented by a Government MLA. MLA support is not required if the OIC applies province wide, or to an electoral district represented by a non-government MLA. Please complete MLA consultations before submitting the OIC to Cabinet Operations.</p>	<p><input type="checkbox"/> This OIC applies to all electoral districts.</p> <p><input type="checkbox"/> This OIC applies only to the following electoral districts: _____</p> <p>If this OIC applies only to specific electoral districts, do you have written confirmation that Government MLAs from affected electoral districts support this OIC</p> <p><input type="checkbox"/> YES</p> <p><input type="checkbox"/> NO - If no, please explain: _____</p>
<p>11. Confidence & Supply Agreement (CASA)</p> <p>Is Consultation with the BC Green Party Caucus required?</p> <p>Confidence and Supply Agreement Consultation Guide. Click here for more information.</p>	<p><input type="checkbox"/> NO</p> <p><input type="checkbox"/> YES - If yes, has the consultation occurred/been scheduled and what was/is the date: _____</p> <p>If consultation has taken place, what was the outcome?</p>

<p>12. Trade Obligations The Trade Policy and Negotiations Branch at JEDC has been consulted and confirms:</p> <p>[select applicable box]</p>	<p><input type="checkbox"/> Trade is not affected</p> <p><input type="checkbox"/> The OIC may affect international or domestic trade obligations, and:</p> <p style="margin-left: 40px;"><input type="checkbox"/> Required notifications have been made and any comments received are:</p> <hr style="width: 40%; margin-left: 40px;"/> <p style="margin-left: 40px;"><input type="checkbox"/> Required notifications have not been made because:</p> <hr style="width: 40%; margin-left: 40px;"/>

Additional Details

Deputy Minister

Date Signed

Contact Name:

Title:

Phone Number:

Alternate Contact Name:

Title:

Phone Number:

Prepared By:

Phone Number:

Attached Appendices:

- Distribution Form
- Regulatory Impact Checklist Exemption Form
- Regulatory Impact Checklist and Regulatory Count Form
- Map(s)
- Other:

BUDGET PREPARATION 2021

In an election year, the *Budget Transparency and Accountability Act* requires the Minister of Finance to table a budget on or before March 23, or within 120 days of the appointment of the Premier (whichever date is later). If the Premier is appointed by November 23, 2020, *Budget 2021* must be tabled on or before March 23, 2021. Later appointment dates would allow for a correspondingly later budget date.

Cabinet Confidences

Budget Process and Development Considerations:

In a non-election year, the Minister of Finance must table a budget on or before the fourth Tuesday of February. The production of the budget involves a number of overlapping processes and decisions across government, which normally start in the early summer, as follows:

- Developing the fiscal framework and priorities (2-3 months);
- Budget invitations and instructions provided to ministries; ministries develop proposals (2-3 months);
- Treasury Board review and approval of submissions (3-4 months);
- Minister of Finance tax and/or revenue generating decisions (2-3 months);
- Economic Forecast Council meeting (2-3 months prior to budget day);
- Crown corporations and agencies submit forecasts to Treasury Board Staff for consolidation (2-3 months);
- Final Treasury Board and Minister of Finance Decisions (one month prior to budget day); and
- Drafting and printing of budget documents (two months).

Cabinet Confidences

Ministries are expected to manage all pressures, including costs related to the implementation of government commitments and priorities and the achievement of performance targets, within budget allocations. Ministries are also required to work closely with Treasury Board Staff to ensure that any risks to a ministry's budget or potential impacts on the fiscal plan are identified in a timely manner and that mitigation strategies are developed to ensure that ministry budget targets are not compromised.

Cabinet Confidences

Ministry budgets as per the Budget and Fiscal Plan for 2020/21 – 2022/23 are shown below:

(\$ millions)	Updated Forecast 2019/20 ¹	Budget Estimate 2020/21	Plan 2021/22	Plan 2022/23
Office of the Premier	11	11	11	11
Advanced Education, Skills and Training	2,330	2,366	2,372	2,374
Agriculture	98	95	96	96
Attorney General	611	652	654	662
Children and Family Development	2,068	2,228	2,255	2,259
Citizens' Services	561	552	554	554
Education	6,577	6,697	6,758	6,765
Energy, Mines and Petroleum Resources	180	114	92	92
Environment and Climate Change Strategy	247	245	247	246
Finance	1,160	838	883	975
Forests, Lands, Natural Resource Operations and Rural Development	950	844	856	850
Health	20,846	22,190	23,130	23,875
Indigenous Relations and Reconciliation	108	97	108	108
Jobs, Economic Development and Competitiveness	97	93	94	94
Labour	16	17	17	17
Mental Health and Addictions	10	10	10	10
Municipal Affairs and Housing	828	650	842	812
Public Safety and Solicitor General	932	852	857	863
Social Development and Poverty Reduction	3,568	3,683	3,750	3,798
Tourism, Arts and Culture	164	161	161	161
Transportation and Infrastructure	914	929	932	932
Total ministries and Office of the Premier	42,276	43,324	44,679	45,554

Contingencies

The Minister of Finance is responsible for managing Contingencies vote(s) that support government in managing uncertain or volatile costs within the fiscal plan. To access Contingencies funding, ministries are required to seek approval through the Treasury Board process. Only Ministries that have written approval from the Chair of Treasury Board are able to access Contingencies funding.

In 2020/21, there are three Contingencies Votes as shown in the following table.

Vote Name and Number	Description	2020/21 Appropriation	Current Forecast/ Allocation
Vote 45 Contingencies (All Ministries) and New Program Vote*	Standard government contingencies vote to manage unexpected costs as well as wage-related negotiations under the Sustainable Services Negotiating Mandate	\$1.066 billion	\$1.066 billion
Vote 52 Contingencies (All Ministries): Pandemic Response and Economic Recovery	Contingencies specific to new response and recovery measures related to COVID-19	\$5.0 billion	\$5.24 billion
Vote 53 Contingencies (All Ministries): Federal and Provincial Pandemic	Contingencies specific to federal-provincial cost share and restart related initiatives	\$1.0 billion (net of federal recoveries)	\$810 million

*Note: Vote 45 also includes \$63 million appropriation for CRF Capital, of which

Cabinet Confidences

Cabinet Confidences

Capital

Similar to operating funding, Ministries and their agencies are expected to manage all capital spending pressures within its current year budget allocations and total fiscal plan capital funding targets. Ministries must work with Treasury Board Staff to ensure any potential pressures to the Ministry's capital plan are identified early and provide mitigating strategies to ensure the capital funding targets are not overspent.

The Ministry of Finance oversees a Consolidated Revenue Fund Capital Contingency vote to manage any unexpected capital costs for core Government during the fiscal year (see Contingencies). The current allocation from this contingency is \$63 million with Cabinet Confidences

Capital funding for Government agencies are provided through the Capital Funding (CF) Vote (Vote 46). Ministries and their agencies are expected to manage any capital expenditure pressures from within their current fiscal allocations.

Statutory Authority Pressures

A statutory appropriation is an authority to spend out of the Consolidated Revenue Fund through legislation and not a *Supply Act* (i.e. voted appropriation). The general rationale for statutory appropriations is to authorize spending for public policy reasons (e.g., required for immediate health and safety or protection of property such as fighting wildfires or the provision of emergency services in response to natural disasters) for situations that are unpredictable or and difficult to budget for. Cabinet Confidences

Cabinet Confidences

Special Accounts also have statutory authority to make expenditures above the amounts published in the Estimates. A special account is an account in the general fund of the consolidated revenue fund where the authority to spend money from the account is located in an Act other than the *Supply Act*. Legislation specifies the dedicated revenue sources and eligible expenditures/specific purposes for each special account. Cabinet Confidences

Cabinet Confidences

5. CENTRAL AGENCIES OF GOVERNMENT

BC Public Service Agency

The BC Public Service Agency (BCPSA) was formed in April 2003 as a central agency to provide a consolidated human resource management service to the BC Public Service. The organization is responsible for leading a strategic government-wide human resource agenda and supporting the operational business needs of government ministries and agencies through providing human resource management policies, frameworks and guidelines, and a variety of human resource services, products, and programs.

The BC Public Service is one of the largest employers in the province, serving all communities across B.C. The BCPSA is mandated to support this workforce by providing human resources services such as hiring, payroll, labour relations, occupational health and safety, learning and development, workforce planning, and employee engagement supports. The BCPSA also leads corporate human resource strategy and the development of a corporate plan for the BC Public Service that supports a “one-employer” approach to ensure government continues to have the skilled professional public service needed to meet the evolving needs of British Columbians.

As a central agency, the BCPSA most recently fell within the responsibility of the Minister of Finance as the minister responsible for the *Public Service Act*. The Deputy Minister (or Head of the BCPSA) reports to the Minister. Like all deputy ministers, the Head of the BCPSA also has a reporting relationship to the Deputy Minister to the Premier, who is the Head of the BC Public Service. The BCPSA is accountable to government ministries and agencies through its relationship with ministry executives.

Crown Agencies and Board Resourcing Office

The Crown Agencies and Board Resourcing Office (CABRO) is responsible for Public Sector Organization (PSOs) governance support. CABRO provides oversight of and support regarding Crown governance and corporate accountability in relation to public sector organizations.

CABRO co-ordinates the legislated performance, planning and reporting annual cycle for Crown Corporations under the *Budget Transparency and Accountability Act*, oversees the recruitment and recommendation of candidates for appointments to Crown corporations, agencies, boards and commissions and provides public sector governance advice and training for appointees. CABRO is the secretariat for the Appointment Orders Cabinet Committee, issues cross government drafting instructions for appointments and coordinates the Order in Council board appointments for Cabinet agendas.

Governance support includes:

- overseeing appointments to 264 public sector organizations – which encompasses nearly 2,000 appointees, with a firm commitment to reflecting the Province’s diversity in Provincial appointments (see diversity statement below);

- overseeing the delivery of mandate letters, service plans and annual service plan reports for PSOs;
- provision of guidance on the creation and dissolution of public sector organizations;
- conducting analysis, establishing best practices, providing advice and recommendations on governance issues;
- providing training on governance, public sector transparency, strategic Government priorities, performance planning and reporting; and
- maintaining and updating the Government's Crown Agency Registry and Shareholder's Expectations Manual for British Columbia Crown Agencies.

CABRO supports government's commitment to diversity in board appointments by ensuring:

- To support strong boards that reflect the diversity of our province, women, visible minorities, Indigenous Peoples, persons with disabilities, persons of diverse sexual orientation, gender identity or expression (LGBTQ2S+), and others who may contribute to diversity in public sector board appointments are encouraged to put their names forward for appointments.
- Consideration will be given to individuals with a broad range of backgrounds in community, labour and business environments. The selection process will recognize lived experience and volunteer roles as well as paid employment and academic achievements.

CABRO is headed by a Senior Executive Lead and is within the mandate of the Ministry of Finance.

Government Communications and Public Engagement

The primary role of Government Communications and Public Engagement (GCPE) is to inform the public about government programs, services, policies and priorities.

GCPE is staffed by professionals with experience and education in government and/or corporate communications, media relations, public relations, marketing, social media and digital content. Employees provide a variety of services and expertise, and work closely with other provincial, federal and municipal government representatives, media, industries, associations, interest groups, and the general public.

Through traditional communications practices and, increasingly, through direct engagement and online services, we provide:

- Communications Services
- Corporate Online Services
- Social Media
- Citizen Engagement

- Marketing Services
- Graphic Design Services
- Emergency Communications
- Ministry Communications Offices
- Media Relations
- Writing & Editorial Services
- Event Planning
- Media Monitoring

GCPE is headed by a Deputy Minister and is part of the mandate of the Ministry of Finance. Communications Directors are embedded within each of the individual ministries but report centrally through GCPE. The priority for the ministry-based communication teams is proactive strategic planning and delivering quality, services and products.

Intergovernmental Relations Secretariat

The Intergovernmental Relations Secretariat (IGRS) provides strategic advice and support to the Premier for meetings with the Prime Minister, other Premiers, U.S. leaders, heads of states and governments, and foreign dignitaries. IGRS gathers intelligence on pertinent issues and interests, participates in intergovernmental negotiations in advance of meetings, ensures that B.C.'s interests are represented in defining the agendas, and creates strategic alliances, as required, to influence the direction of policies or programs that affect the province.

The Secretariat is also responsible for the Francophone Affairs Program which is governed by a federal-provincial cooperation agreement on services in French. Collaboration between the B.C. government and the federal government supports ministries, Crown corporations and municipalities in their investments and efforts to ensure access and delivery of French language services.

The Office of Protocol is a division within IGRS that leads and coordinates ceremonial, protocol, honours and diplomatic activities, and manages and administers the *Provincial Symbols and Honours Act* which establishes the Order of BC and the Medal of Good Citizenship. It is also responsible for relations with the Consular corps.

IGRS is headed by a Deputy Minister and is within the mandate of the Office of the Premier.

Public Sector Employers' Council Secretariat

The Public Sector Employers' Council Secretariat is created under the *Public Sector Employers Act* and reports directly to the Minister of Finance as the Minister Responsible for the Act.

Secretariat Mandate:

The Public Sector Employers' Council Secretariat is the central agency supporting government on all

issues related to public sector collective bargaining, non-union compensation, appointee remuneration, and pension plans.

Labour Relations — provides strategic advice and the development of bargaining mandates, and implements those mandates and strategies through employers' associations by coordinating employers across the provincial public sector, including health, K-12 public schools, Crown corporations, community social services, post-secondary institutions (colleges, institutes, teaching universities) and research universities, as well as the core Public Service.

Non-Union Compensation — works with public sector employers to establish and implement compensation policies and plans for non-union employees such as managers and executives (including CEOs). PSEC Secretariat is responsible for coordinating the two annual statutory disclosures of executive compensation for 123 public sector employers.

Public Sector Pension Plans — represents government in its role as a partner under the *Public Sector Pension Plans Act* and the joint trust arrangements established for the four major public sector pension plans. This includes working with other partners to the pension plans to achieve the goals of the plans in a sustainable manner, monitoring government's risk exposure and providing policy advice to both government and public sector employers.

Board Appointee Remuneration — supports Treasury Board by chairing and providing secretariat support to the Appointee Remuneration Committee established pursuant to the by Treasury Board Directives that set remuneration guidelines for government appointees to Crown agency boards and administrative tribunals.

The Public Sector Employers' Council Secretariat is created under the *Public Sector Employers Act* and led by a President and CEO who reports directly to the Minister of Finance as the Minister Responsible for the Act.

Legal Services Branch

The Legal Services Branch's mandate is to deliver legal services to the Government of British Columbia in accordance with the *Attorney General Act*. The Branch provides comprehensive legal and legislative services to government including alternate dispute resolution services; acting for government in civil suits and tribunal proceedings; drafting all government bills and regulations; and preparing the Revised Statutes of British Columbia.

The Branch is a centralized government service, consisting of lawyers, paralegals and administrative staff. Lawyers in the Branch provide legal and legislative services to the Provincial government. The Branch was recently reorganized to consist of five legal group practices (Central Services Group, Litigation Group, Natural Resource, Transportation and Indigenous Legal Group, Justice, Health, and Revenue Group and the Vancouver Group), and the Office of Legislative Counsel and Director's Counsel. More information is available at L@w Matters at <http://gwww.legalservices.gov.bc.ca/>.

Central Agencies in Support of Cabinet

Cabinet Operations

Cabinet Operations is a non-partisan office that facilitates government decision-making and is the secretariat for Cabinet and its Committees. To fulfil this role, Cabinet Operations acts as the bridge between elected officials and the Public Service, moving information, material and decisions between the two groups. Specific activities include, but are not limited to:

- Providing independent, strategic advice to the Cabinet Secretary on the development of Cabinet agendas.
- Managing the government's strategic policy and legislative processes, including regulations and Orders in Council.
- Liaising with ministries to schedule submissions for review by Cabinet and its Committees and providing advice on appropriate format and content.
- Preparation, scheduling and logistics around all Cabinet and Cabinet Committee meetings (with the exception of Treasury Board).
- Preparation and distribution of Cabinet and Committee materials to members.
- Preparation and distribution of Cabinet and Committee meeting minutes to members and appropriate ministries.
- Office of record for Cabinet and Cabinet Committee meeting documents and decisions.
- Cabinet Operations is also responsible for providing advice and support to ensure continuity of core government operations related to Cabinet during government transition.

Cabinet Operations is headed by a Deputy Cabinet Secretary who reports directly to the Deputy Premier/Cabinet Secretary in the Office of the Premier.

Treasury Board Staff

Treasury Board Staff (TBS) develops, manages, and produces the Budget and Fiscal Plan, the 10-year Corporate Capital Plan, the Estimates, Quarterly Reports, the Financial and Economic Review, and other related documents.

TBS provides financial management advice to support well-informed decisions by Treasury Board and the Minister of Finance, including advice on economic performance, and management of ministry and agency spending, capital plans and spending, revenue and debt. TBS is responsible for developing the economic forecast as well as the 3-year fiscal plan. TBS also develops revenue and spending forecasts and plans; and makes recommendations to Treasury Board and government on expenditure management and related strategies as needed to keep the fiscal plan on track throughout the year.

TBS supports the operations of Treasury Board meetings throughout the year and advises the Board on budgetary requests and spending management issues brought forward by ministries and other government agencies.

TBS is headed by a Deputy Minister who is also the Secretary to Treasury Board.

CABINET MEMBERS' REFERENCE GUIDE – OCTOBER 2020

D. Advice to Ministers

1. Advice to Ministers on Responsibilities and Conduct
 - a. Political Staff Standards of Conduct
 - b. Public Service Standards of Conduct
 - c. Conflict of Interest Disclosure Form
 - d. Guide to Gifts and Personal Benefits
 - e. Records Management Responsibilities of Ministers
 - f. Use of Personal Email Accounts
 - g. Are You Lobbying?
2. Ministers' Salaries, Benefits & Expenses

1. ADVICE TO MINISTERS ON RESPONSIBILITIES AND CONDUCT

Introduction

This section sets out the roles and responsibilities of Ministers and outlines some of the key considerations in standards of conduct for Ministers. It discusses conflict of interest, freedom of information and privacy, lobbying, judiciary matters and legal advice and administrative matters. The information is intended to act as a guide to help ministers in conducting their business and in supporting the Premier in managing the business of government.

Roles and Responsibilities

The Transition Process

Following an election, the Premier will be faced with a significant number of decisions. Some of the more important tasks are:

- determine the size of Cabinet;
- determine the scope of different ministerial portfolios;
- select members of Cabinet;
- prepare mandate letters for each Minister;
- prepare an action plan to implement the policy platform; and
- develop an approach to the public service including key appointments.

In this case, the Premier and their team will have already considered many of these issues during the preparatory process leading up to the election. However, some of the tasks - like selecting Cabinet members - can take place only after the election is over.

Many Ministers will be new to political life. Some of the early tasks they face will include:

- establishing a working relationship with other Cabinet members as well as with the Premier;
- understanding the role and structure of Cabinet and its committees;
- setting up their own office;
- getting to know key public servants, including the Deputy Minister and Assistant Deputy Ministers;
- reviewing the briefing documents prepared by the public service; and
- making an assessment of the status of programs and policies in place.

The accomplishment of these tasks depends on having clear understanding of the roles, powers, and limitations of the various actors in the Westminster political system. The following notes provide a quick overview of some of the crucial "building blocks" of the Westminster system.

The Role of the Premier

The role of the Premier is to provide overall political leadership to the government. As head of government, the Premier has both a political role and an administrative one. Political priorities do not always correspond to administrative resources and constraints. As a result, most governments are organized to provide separate but coordinated streams of advice to the Premier.

The political stream of advice normally comes from the Chief of Staff, Office of the Premier, while the administrative (non-partisan) advice comes from the Deputy Minister to the Premier. Both are deliberately located in the Office of the West Annex in order to keep coordination and cooperation to a maximum.

One way of summarizing the difference is that the Chief of Staff and their team are politically driven and administratively sensitive, while the Deputy Minister to the Premier and their team are administratively driven and politically sensitive.

Below is a general description of each office.

The Office of the Premier: Chief of Staff

- is politically driven;
- is the Premier's personal support or service centre;
- is headed by a close personal and political aide to the Premier;
- assists the Premier in their political roles – as the leader of the government and as a member of the legislature;
- plays a lead role in setting the government's agenda;
- determines whether a policy meets the needs and wishes of the government's external constituencies, i.e. its political soundness; and
- develops a strategy and programs to ensure government policy is adequately communicated.

The Office of the Premier: Deputy Minister to the Premier

- is strategically driven, to meet the public policy program set out by Premier and Cabinet;
- is headed by the Deputy Minister to the Premier, who is also the Head of the BC Public Service and the Cabinet Secretary;
- is responsible for managing the decision-making process of Cabinet and ensuring implementation;

- advises on soundness of proposed policy, legislation and expenditures;
- advises the Premier on issues of government organization and structure; and
- advises the Premier on senior full-time appointments to the public service and its agencies.

The Role of the Minister

Cabinet Ministers are accountable to the Premier and to the Legislative Assembly for the exercise of two fundamental responsibilities:

1. individual performance related to their portfolio responsibilities within the government; and
2. the collective performance of the government.

A useful aid to achieving this is a mandate letter to each Cabinet Minister specific to their portfolio from the Premier outlining the main issues the Premier wants the Minister to focus on.

The mandate letter would normally include:

- the Premier's expectations for Cabinet Ministers' conduct;
- priority areas for the Cabinet Minister's specific portfolios;
- issues to focus on within specific timeframes;
- responsibilities within the portfolios; and
- any immediate action that, in the Premier's view, must be taken in the portfolio.

Individual Responsibility and Accountability

Ministers are:

- sworn to carry out the powers, duties and functions of their portfolios;
- responsible for the policies, programs, and administration of their Ministries;
- a source of policy and program initiatives;
- vested with ministerial powers, duties and functions through various acts (officials have the required knowledge to advise Ministers on the nature and extent of such powers, obligations and constraints);
- individually responsible to the Legislative Assembly for:
 - their own actions;
 - the policies and practices of their Ministry, including the actions of all officials under their management and direction; and
 - the policies and practices of any non-ministerial bodies, such as agencies, boards and

commissions within the Minister's portfolio.

Collective Responsibility

Ministers are:

- appointed by the Premier and serve at the Premier's pleasure;
- expected to participate fully in Cabinet decision making, including appropriate Cabinet committees;
- expected to defend the government's actions and policies; and
- solemnly obliged to uphold the rule of Cabinet confidentiality.

Participation in Cabinet Decision Making

The Cabinet is the forum in which Ministers reach a consensus and coordinate their views and decisions on issues. It is chaired by the Premier and supported by the Secretary to the Cabinet and their staff. It provides a strategic direction and sets priorities for the government, in addition to addressing specific program and policy issues.

Cabinet decision making will also involve Cabinet Committees and, if established, Working Groups, as determined by the Premier. Working Groups are typically very focused Committees of Cabinet and have equal decision-making powers as other Committees of Cabinet. Committees and Working Groups receive and evaluate submissions and make recommendations to Cabinet, which makes the final decision on the issue.

Consensus

- Cabinet works through a process of presentation, discussion and consensus in order to reach decisions.
- Through discussion and debate by Cabinet, and following any final thoughts expressed by Ministers, the Premier will sum up the consensus among the Cabinet members.
- The Secretary to the Cabinet Committee, typically the Deputy Cabinet Secretary, then records the decision and communicates it to appropriate Deputy Ministers for implementation.

Consultation

- Policy and legislation proposals are brought to Cabinet through a formal process and set out in documents called Cabinet Submissions. Cabinet Operations establishes a common format for submissions, and routes the submission to the appropriate Cabinet Committee.
- Meetings are not the forum to verbally introduce new policy issues for decision.
- Consultations among relevant Ministers (or among their ministries) often precedes the submission of a proposal to Cabinet.
- Cabinet focuses on the need to resolve differing points of view, or to confirm the course a Minister proposes to follow.

- Officials are expected to ensure that other ministries are informed in advance so that their Ministers can be prepared for Cabinet discussions.

The Public Service

This section discusses the distinct but complementary roles of public servants and exempt staff in supporting Ministers in performing duties related to their portfolio responsibilities.

The BC Public Service is non-political and non-partisan and is expected to serve the politically elected government of the day to the best of its ability. Its three main roles include:

- Providing policy advice and functional expertise to Ministers;
- Implementing government policy and programs; and
- Delivering government services to citizens.

Public Service versus Political Positions/Roles

There is a distinction between public service employees and employees considered to have political affiliation.

BC Public Service employees are appointed under the *Public Service Act* and are governed by its provisions. Public service employees are expected to be non-political and non-partisan.

Staff in Ministers' Offices, including ministerial assistants, executive assistants, administrative coordinators and support staff, are appointed by Order in Council (OIC) under section 15 of the *Public Service Act*, which excludes them as public service employees. Their terms and conditions of employment are established by OIC and they are designated as appointees. As such, application of the merit requirement does not apply in their hiring, nor must they remain non-political/non-partisan in their working roles. However, ministers' office staff must inform themselves about the standards of conduct that apply to them, as well as the standards for public service employees, and their actions must respect the non-partisanship and impartiality of public service employees. (See attached *Standards of Conduct* documents.)

Ministers and Deputy Ministers

For both Ministers and Deputy Ministers to be successful in their respective roles, a good working relationship, based on trust and mutual understanding, is critical. Each Deputy Minister must be well versed in their Minister's priorities and work styles; conversely, in developing a relationship with their Deputy, each new minister should remember that Deputy Ministers are:

- professional, non-partisan public servants who are expected to serve and advise their Ministers with integrity, expertise, and frankness;
- accountable to the Minister, the Premier, and the Cabinet Secretary;
- the official entry point/channel through which the Minister should typically access the public service and its employees; and
- governed by the *Standards of Conduct* for public service employees.

Ministers are also bound by ethical standards, including those outlined in the *Members' Conflict of Interest Act*; however, there are several differences between the provisions of this Act and the *Standards of Conduct* for public service employees. These differences include scope, the non-partisan emphasis of the latter, and mechanisms for addressing potential conflicts/issues as they arise.

Conflict of Interest

The *Members' Conflict of Interest Act* ("the Act") prohibits acting in an official capacity if a conflict of interest or an apparent conflict of interest exists. A conflict of interest exists if the Member exercises an official power or performs an official duty or function and at the same time knows that in the performance of the duty or function there is the opportunity to further their private interest. A private interest does not include an interest that applies to the general public or affects a Member as a broad class of people.

The Conflict of Interest Commissioner is an independent, non-partisan Officer of the Legislative Assembly who is responsible for independently and impartially interpreting and administering the Act. Members of the Legislative Assembly are expected to act in the public interest at all times, and must not use their official position for personal gain or advantage. The rules governing conflict of interest for Members are set out in the Act and ensure that those who are elected to public office are held to high standards of conduct.

Members must avoid both actual and apparent conflicts of interest, and must arrange their private affairs to prevent such conflicts from arising. Members are expected to resolve any conflicts which do arise promptly and transparently. In determining whether an apparent conflict of interest exists, the Commissioner must consider not only whether the Member is in receipt of a benefit amounting to a private interest, but also whether in all of the circumstances a reasonably well informed person could perceive that this private interest could affect the exercise or performance of an official power, duty or function.

The Act includes the following prohibitions:

- A general prohibition against **conflicts of interest**
- A prohibition against using **insider information**
- A prohibition against using one's **influence** inappropriately
- A prohibition against accepting **extra benefits**.

Section 16(1) of the Act requires that all Members of the Legislative Assembly of BC file a confidential disclosure statement with the Commissioner within 60 days of being elected, and after that annually. Members must complete a confidential disclosure form pursuant to the regulations to the Act which contains a statement of the nature of the assets, liabilities and financial interests belonging to the Member and their spouse. Separate disclosure forms are required if the Member has any minor children, and if the Member, their spouse or minor child has a controlled private corporation.

Once the contents of the confidential disclosure statement have been finalized, a Public Disclosure Statement (PDS) is prepared. The PDS contains most, but not all, of the information contained in the Member's confidential disclosure statement. It is filed with the Clerk of the House and is available for public inspection.

The following members' forms can be found on the Conflict of Interest Commissioner's website at www.coibc.ca.

- Member's Confidential Disclosure Statement
- Disclosure Statement for Minor Children
- Controlled Private Corporation Statement
- Member's Statement of Material Change
- Member's Statement of Gifts and Personal Benefits

Declaring a conflict that arises at a Cabinet or Committee of Cabinet meeting

The Act requires that Ministers who have a conflict of interest or an apparent conflict of interest, or have reasonable grounds to believe that they have a conflict of interest must, if present at a meeting of Cabinet or any Committee of Cabinet:

1. Disclose the general nature of the conflict of interest or the private interest; and
2. Withdraw from the meeting without voting or participating in the discussion of the matter.

Ministers should ensure that the Cabinet Secretary or the Secretary to Treasury Board is made aware of any conflict issues that may arise in meetings of Cabinet, Cabinet Committees, or Treasury Board. Cabinet Operations and Treasury Board Staff will provide forms to Ministers and members of Cabinet Committees to ensure that they record their conflict, and their withdrawal from the meeting. (See attached Conflict of Interest Disclosure Form.)

The Cabinet Secretary and the Secretary to Treasury Board are required to file monthly reports with the Conflict of Interest Commissioner that record conflicts of interest that have been identified by members of Cabinet and Treasury Board, and the nature of the conflict. The conflicts identified are only reported to the Commissioner AFTER the matter on which the conflict was identified, becomes public.

Questions should be discussed with the Conflict of Interest Commissioner.

Gifts and Personal Benefits

Members are prohibited from accepting gifts or personal benefits in connection with the performance of their official duties. However, there is an exception for gifts or personal benefits received "as an incident of protocol or social obligations". In most cases this means a token expression of appreciation or complimentary hospitality in the context of some official interaction.

Before accepting a gift, Members must consider whether the donor is someone whose interests could be affected by a decision the Member may be called upon to make, and whether accepting the gift would – or would appear – to place the Member under an obligation to the donor. Generally, if the donor has any official dealings with the government, the gift should not be accepted.

Members are required to disclose and provide details of any gifts or personal benefits they have received, if the value of the gift exceeds \$250 or if the combined value of multiple gifts from the same

donor exceeds \$250 in a twelve-month period. A summary of gifts received is included in the Member's Public Disclosure Statement.

The Office has published a booklet "Accepting and Disclosing Gifts: A Guide for Members". The Guide provides general information to assist Members to understand their obligations, but Members are still encouraged to seek the Commissioner's advice if in any doubt about the propriety of accepting a gift or personal benefit.

See the attached *Guide to Gifts and Personal Benefits*. It is also available at <https://coibc.ca/resources-for-members/>

For further information contact the Conflict of Interest Commissioner, Victoria Gray, Q.C., at:

Telephone: (250) 356-0750

Email: conflictofinterest@coibc.ca

Web site: www.coibc.ca

Freedom of Information and Protection of Privacy Legislation

The Office of the Information and Privacy Commissioner (OIPC) provides independent oversight and enforcement of B.C.'s access and privacy laws, including:

The *Freedom of Information and Protection of Privacy Act* (FOIPPA), which applies to over 2,900 public bodies, including ministries, local governments, schools, crown corporations, hospitals, municipal police forces, and more.

The Commissioner has the power to:

- Investigate, mediate and resolve appeals concerning access to information disputes, including issuing binding orders;
- Investigate and resolve privacy complaints;
- Initiate Commissioner-led investigations and audits of public bodies or organizations, if there are reasonable grounds of non-compliance or if it is in the public interest;
- Comment on the access and privacy implications of proposed legislation, programs or policies;
- Comment on the privacy implications of new technologies;
- Conduct research into anything affecting access and privacy rights; and
- Educate the public about their access and privacy rights and the relevant laws.

Disclosure

FOIPPA creates a broad-based obligation to disclose information that is in the possession of a ministry or a Minister's Office, upon request for disclosure. It is the duty of a ministry to respond to this request in

a timely way. Normally the time limitation is 30 days. Consideration and coordination of ministry responses to requests to disclose information are supported by the central Corporate Information and Records Management Office.

There are 12 exceptions to the requirement to disclose. Some exceptions are mandatory while others are discretionary and/or require a test to be met. Among the most important exceptions are:

- Any material that could reveal the substance of deliberations of Cabinet or any of its committees, including any advice, recommendations, policy considerations, or draft legislation or regulations submitted or prepared for submission to the Cabinet or any of its committees;
- Personal information;
- Legal advice to a minister or ministry;
- Policy advice to a minister or ministry;
- Information harmful to law enforcement;
- Information harmful to intergovernmental negotiations; and
- Information harmful to government's economic interests, or the business interests of a third party.

Persons denied access to information can appeal the denial to the Information and Privacy Commissioner. While some of the exceptions noted above may appear to be broad, the Commissioner may give them a narrower interpretation. Information Access Operations staff are familiar with the Office of the Information and Privacy Commissioner case law and will work with ministry staff to respond to any requests.

Careful attention should also be paid to private or personal information about third parties. It is never appropriate to disclose such information without the consent of the third party.

Ministers' calendars are proactively disclosed each month and published on Open Information after appropriate severing of information that might be "excepted" under one of the categories noted above. Consider carefully the amount of information contained in a calendar, on the assumption that such information might become accessible to the public.

Guidance on Use of personal Email accounts for Public Business

The Office of the Information and Privacy Commissioner also publishes guidance documents to inform citizens and promote compliance with B.C.'s access and privacy laws. For example, see the attached *Use of Personal Email Accounts*. This document explains the implications under the FOIPPA for use of personal email accounts for work purposes by employees of public bodies.

For further Information Contact Michael McEvoy, the Information Privacy Commissioner at:

Telephone: (250) 387-5629

E-mail: info@oipc.bc.ca

Website: <http://www.oipc.bc.ca/>

Lobbyists and Lobbying

The Office of the Registrar of Lobbyists (“ORL”) is responsible for monitoring compliance with British Columbia’s *Lobbyists Registration Act* (“LRA”) and the associated regulations. The underlying objective of the LRA is to ensure transparency of legitimate lobbying activities so that members of the public are made aware of who is attempting to influence government decisions. Lobbyists are required by the LRA, to register. This is done by filing a return with the Registrar for Lobbyists.

The LRA regulates lobbying in British Columbia. “Lobbyists” are persons who, on behalf of their employers or clients, communicate with public office holders in an attempt to influence their decisions. The LRA promotes transparency in the lobbying process by requiring lobbyists to declare details of their lobbying effort, including on whose behalf they are lobbying, who they are targeting, on what subject matter and toward what outcome. All of this information is available for the public to view, free, at any time.

Under the Act, lobbying is broadly defined. It includes individuals who are paid to lobby (“consultant lobbyists”), or whose duties as an employee include lobbying as a significant component. The act of lobbying includes communicating with an office holder to influence the development of legislation, regulations, policy and the awarding of contracts or conferral of benefits. In relation to a consultant lobbyist, it can include simply trying to arrange a meeting between office holder and any other person.

Ministers may choose to meet with lobbyists whether they are registered or not. While it is the lobbyist’s duty to comply with the Act and ensure appropriate registration, problems may be avoided by asking or having staff ask about registration of any person who might be considered to be “lobbying”. For a guide on how to determine if someone is lobbying the attached *Are You Lobbying?*

The Information and Privacy Commissioner for the Province of B.C. is also the registrar of lobbyists. For further information contact Michael McEvoy at the Office of Registrar for Lobbyists at:

Telephone: (250) 387-2686

Email: info@bcorl.ca

Web site: <http://www.lobbyistsregistrar.bc.ca>

Judiciary/Matters before the Courts

Ministers should not comment publicly on matters that are before the Courts, or before administrative tribunals that are acting in a “judicial” capacity. Comments that are strictly regarding the facts of the matter may be appropriate. Before commenting, however, the Attorney General or Deputy Attorney General should be consulted.

Ministers should not communicate with:

- Members of the judiciary or administrative tribunals that are making judicial decisions concerning any matter that is before the court of tribunal;
- Crown prosecutors (without prior consultation with the Ministry of Attorney General); and
- Police officers or law enforcement agencies (without prior consultation with the Ministry of Attorney General) concerning matters under investigation (unless the Minister has been asked to assist).

Ministers should refrain from writing letters of character reference for persons involved in the proceedings.

Legal Advice and Legal Proceedings

The Attorney General is government's chief law officer. Legal advice to Ministers and their ministries must be obtained from or through Ministry of Attorney General staff. The confidentiality of legal advice is protected by solicitor/client privilege, and should not be shared or discussed with any individual who is not an employee of the Province of British Columbia.

The Ministry of Attorney General represents government in litigation before courts and administrative tribunals. Lawyers who represent government in these proceedings must be employed or retained by the Ministry of Attorney General.

A Minister may be eligible for indemnity coverage under the Excluded Employees (Legal Proceedings) Indemnity Regulation if, as a result of the performance of their ministerial duties, legal proceedings are brought or likely to be brought against the Minister. Legal proceedings covered by the Regulation are civil proceedings (including defamation), professional body proceedings, human rights proceedings, penalty proceedings and criminal prosecutions. Where a Minister becomes aware that proceedings have been or are likely to be commenced, the Minister (in order to obtain coverage) must immediately notify the Deputy Minister to the Premier in writing of the proceedings and that they are likely to be seeking coverage, and, within a reasonable time thereafter, must make a written request for coverage in the form required by the Deputy Minister to the Premier. A Minister may also be eligible for coverage under the Regulation in connection with their ministerial duties if the Minister is to appear as a witness in proceedings or if the Minister wishes to bring proceedings against someone for defamation. For details about the coverage, the Regulation can be found at:

http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/62_2012

Members of Executive Council are disqualified from jury duty.

Administrative Matters

Within the Ministry of Finance is the Ministers' Office Support Services (MOSS) group. MOSS provides Ministers with guidance and support on administrative matters. Their intranet site at <http://gww.fin.gov.bc.ca/gws/camss/moss/> provides Minister's Offices with information related to financial, human resources, information systems and other administrative policies and procedures on the following subjects:

- Accounts Payable

- Budget Information
- Information Technology (IT)
- Facilities
- Freedom of Information
- Payroll
- Records Management
- Human Resources
- Telecommunications
- Travel
- Vehicles

Standards of Conduct for Political Staff

“Political staff” are persons appointed under section 15(1)(a) of the Public Service Act who report through to the Chief of Staff to the Premier or provide support to a Minister, and who are not assigned job duties of a primarily administrative, technical or communications nature. Most appointees working in the Office of the Premier and supporting Minister’s Offices are political staff (e.g., Ministerial Assistants and Executive Assistants). Appointees to Government Communications and Public Engagement are not political staff.

Political staff will exhibit the highest standards of conduct. Their conduct must instill confidence and trust and not bring the Province of British Columbia into disrepute.

The requirement to comply with these standards of conduct is a condition of employment. Political staff who fail to comply with these standards may be subject to disciplinary action up to and including dismissal.

The Standards of Conduct for Political Staff closely resemble the Standards of Conduct applicable to employees of the BC Public Service. However, the Standards of Conduct for Political Staff recognize the unique partisan role performed by political staff and provide guidance on how political staff may exercise their partisan duties while also respecting the non-partisan role of employees in the BC Public Service.

Role of Political Staff

Political staff are generally employed to help Ministers on matters where the non-political and political work of Government overlap and where it would be inappropriate for permanent public servants to become involved. Political staff serve as advisors and assistants who share the ruling party’s political commitment, and who can complement the professional, expert and non-partisan advice and support of the permanent public service.

Political staff should ask the manager to whom they report, or the Chief of Staff to the Premier, if they have any questions regarding their role and responsibilities.

Loyalty

Political staff have a duty of loyalty to the government as their employer. They must act honestly and in good faith and place the interests of the employer ahead of their own private interests. The duty committed to in the Political Staff Oath requires political staff to serve the government of the day to the best of their ability.

Confidentiality

Confidential information, in any form, that political staff receive through their employment must not be disclosed, released, or transmitted to anyone other than persons who are authorized to receive the information. Political staff with care or control of personal or sensitive information, electronic media, or devices must handle and dispose of these appropriately. Staff who are in doubt as to whether certain information is confidential must ask the appropriate authority before disclosing, releasing, or transmitting it.

The proper handling and protection of confidential information is applicable both within and outside of government and continues to apply after the employment relationship ends.

Confidential information that political staff receive through their employment must not be used for the purpose of furthering any private interest, or as a means of making personal gains. (See the Conflicts of Interest section below for details.)

Public Comments

Political staff may comment on public issues but must not engage in any activity or speak publicly where this could be perceived as an official act or representation (unless authorized to do so). Staff must not use their position in government to lend weight to the public expression of their personal opinions.

Service to the Public

Political staff must provide service to the public in a manner that is courteous, professional, equitable, efficient, and effective. Staff must be sensitive and responsive to the changing needs, expectations, and rights of a diverse public in the proper performance of their duties.

Workplace Behaviour

Political staff are to treat each other with respect and dignity and must not engage in discriminatory conduct prohibited by the Human Rights Code. The prohibited grounds are race, colour, ancestry, place of origin, religion, family status, marital status, physical disability, mental disability, sex, sexual orientation, gender identity or expression, age, political belief and conviction of a criminal or summary offence unrelated to the individual's employment.

Further, the conduct of political staff in the workplace must meet acceptable social standards and must contribute to a positive work environment. Bullying or any other inappropriate conduct compromising the integrity of the Province of BC will not be tolerated.

All political staff may expect and have the responsibility to contribute to a safe workplace. Violence in the workplace is unacceptable. Violence is any use of physical force on an individual that causes or could cause injury and includes attempted and threatened use of force.

Political staff must report any incident of violence. Any staff who become aware of a threat must report that threat if there is reasonable cause to believe that the threat poses a risk of injury. Any incident or threat of violence in the workplace must be addressed immediately. Staff must report a safety hazard or unsafe condition or act in accordance with the provisions of the WorkSafeBC Occupational Health and Safety Regulation.

Political staff must conduct themselves professionally, be fit for duty, and be free from impairment (e.g., from alcohol or drugs).

Interactions with the Permanent Public Service

In meeting their responsibility to respect the non-partisanship of ministry staff, political staff have an obligation to inform themselves about the appropriate parameters of conduct set out in the Standards of Conduct for Public Service Employees, and to actively assess their own conduct and any requests they make to ministry employees in light of these parameters.

To the extent possible, relations between political staff and ministry staff should be conducted through the Deputy Minister's Office. The Deputy Minister's Office should be informed about any significant contact between political staff and ministry employees. Ministers, Deputy Ministers, the Chief of Staff to the Premier, and other managers to whom political staff may report should be vigilant in ensuring the appropriate parameters of interaction between political staff and ministry staff are observed.

Political staff may ask ministry employees for information, transmit the Minister's instructions, or be informed of decisions in order to address communications and strategic issues. However, they do not have a direct role in ministry operations and have no legal basis for exercising the delegated authority of Ministers. Nor may political staff give direction to ministry employees on the discharge of their responsibilities.

Examples of appropriate and inappropriate conduct include, but are not limited to, the following:

Appropriate Conduct	Inappropriate Conduct
<ul style="list-style-type: none"> ▶ Convey to ministry employees the Minister's view of issues and direction on work priorities; ▶ Request ministry employees prepare information and analyses; ▶ Hold meetings with ministry employees to discuss advice being prepared for the Minister. 	<ul style="list-style-type: none"> ▶ Ask a ministry employee to do anything inconsistent with their obligations under the Standards of Conduct; ▶ Authorize the expenditure of public funds, have responsibility for budgets, or have any involvement in the award of external contracts; ▶ Exercise any power in relation to the management of employees within their ministry (except in relation to other political staff), including but not limited to playing any role in human resource decisions affecting a public service employee; ▶ Suppress or supplant advice prepared for the Minister by ministry employees (although they may comment on such advice); or substitute advice for that of ministry employees.

Conflicts of Interest

A conflict of interest occurs when a political staff member's private affairs or financial interests are in conflict, or could result in a perception of conflict, with the staff member's duties or responsibilities in such a way that:

- the staff member's ability to act in the public interest could be impaired; or
- the staff member's actions or conduct could undermine or compromise:
 - the public's confidence in the staff member's ability to discharge work responsibilities; or
 - the trust that the public places in the Province of BC.

While the government recognizes the right of political staff to be involved in activities as citizens of the community, conflict must not exist between their private interests and the discharge of their employment duties. Upon appointment, political staff must arrange their private affairs in a manner that will prevent conflicts of interest, or the perception of conflicts of interest, from arising.

Political staff who find themselves in an actual, perceived, or potential conflict of interest must disclose the matter to their manager or the Chief of Staff to the Premier. Examples of conflicts of interest include, but are not limited to, the following:

- A staff member uses government property or equipment or their position, office, or government affiliation to pursue personal interests or the interests of another organization;
- A staff member is in a situation where they are under obligation to a person who might benefit from or seek to gain special consideration or favour;
- A staff member, in the performance of official duties, gives preferential treatment to an individual, corporation, or organization, including a non-profit organization, in which the staff member, or a relative or friend, has an interest, financial or otherwise;
- A staff member benefits from, or is reasonably perceived by the public to have benefited from, the use of information acquired solely by reason of their employment;
- A staff member benefits from, or is reasonably perceived by the public to have benefited from, a government transaction over which they can influence decisions (e.g., investments, sales, purchases, borrowing, grants, contracts, regulatory or discretionary approvals, appointments);
- A staff member accepts from an individual, corporation, or organization, directly or indirectly, a personal gift or benefit that arises out of their employment with the Province of BC, other than:
 - the exchange of hospitality between persons doing business together;

- tokens exchanged as part of protocol;
- the normal presentation of gifts to persons participating in public functions; or
- the normal exchange of gifts between friends; or
- A staff member accepts gifts, donations, or free services for work-related leisure activities other than in situations outlined above.

The following four criteria, when taken together, are intended to guide the judgment of political staff who are considering the acceptance of a gift:

- The benefit is of nominal value;
- The exchange creates no obligation;
- Reciprocation is easy; and
- It occurs infrequently.

Political staff will not solicit a gift, benefit, or service on behalf of themselves or other employees.

Conflict of Interest Guidelines for Political Staff

Guidelines have been established to assist political staff, their managers and the Chief of Staff to the Premier in managing conflict of interest issues. Please see the MyHR section of the BC Government website for more information.

Allegations of Wrongdoing

Political staff have a duty to report any situation relevant to their employment that they believe contravenes the law, misuses public funds or assets, or represents a danger to public health and safety or a significant danger to the environment. Staff can expect such matters to be treated in confidence, unless disclosure of information is authorized or required by law (e.g., the Freedom of Information and Protection of Privacy Act). Staff will not be subject to discipline or reprisal for bringing forward, in good faith, allegations of wrongdoing in accordance with this policy statement.

Political staff must report their allegations or concerns in writing to the manager to whom they report or the Chief of Staff to the Premier, who will acknowledge receipt of the submission and have the matter reviewed and responded to in writing within 30 days of receiving the staff member's submission. Where an allegation involves the staff member's manager, the employee must forward the allegation to the Chief of Staff to the Premier. Where an allegation involves the Chief of Staff to the Premier, the allegation must be forwarded to the Deputy Minister to the Premier.

In addition to these reporting requirements, it is expected political staff will also report to the Comptroller General any irregularities related to the expenditure of public funds as outlined in Section 33.2 of the Financial Administration Act.

Where a political staff member believes that the matter requires a resolution and it has not been reasonably resolved by their employer, they may then refer the allegation to the appropriate authority.

If the staff member decides to pursue the matter further, then:

- Allegations of criminal activity are to be referred to the police in accordance with the Procedure for Reporting Employee Misconduct in Non-Emergency Situations to the Police;
- Allegations of a misuse of public funds are to be referred to the Auditor General;
- Allegations of a danger to public health must be brought to the attention of health authorities; and
- Allegations of a significant danger to the environment must be brought to the attention of the Deputy Minister, Ministry of Environment and Climate Change Strategy.

Employees may also report wrongdoing under the Public Interest Disclosure Act to their supervisor, Chief of Staff to the Premier, designated officer or the Ombudsperson. Employees can find information about

what types of wrongdoing may be reported under PIDA and the process for reporting in the HR Policy on Public Interest Disclosure, and the Managing Public Interest Disclosure Procedures for Political Staff.

Employees who are unsure about whether their concerns could be considered under PIDA can seek advice from their supervisor, designated officer or the Ombudsperson.

An employee reporting a wrongdoing under the Public Interest Disclosure Act to the Ombudsperson is not required to report the same wrongdoing to their employer unless the Ombudsperson does not investigate or does not refer their disclosure. Reporting a wrongdoing to the Ombudsperson does not affect an employee's obligations to cooperate in any investigation into the subject matter of the wrongdoing.

Legal Proceedings

Political staff must not sign affidavits relating to facts that have come to their knowledge in the course of their employment duties for use in court proceedings unless the affidavit has been prepared by a lawyer acting for government in that proceeding or unless it has been approved by a ministry solicitor in the Legal Services Branch, Ministry of Attorney General. Political staff are obliged to cooperate with lawyers defending the Crown's interest during legal proceedings.

A written opinion prepared on behalf of government by any legal counsel is privileged and is, therefore, not to be released without prior approval of the Legal Services Branch.

Working Relationships

Political staff involved in a personal relationship outside work that compromises objectivity, or the perception of objectivity, should avoid being placed in a direct reporting relationship to one another. For example, staff who are direct relatives or who permanently reside together may not be employed in situations where:

- A reporting relationship exists where one staff member has influence, input, or decision-making power over the other's performance evaluation, salary, premiums, special permissions, conditions of work, and similar matters; or
- The working relationship affords an opportunity for collusion between the two staff members that would have a detrimental effect on the employer's interest.

The above restriction on working relationships may be waived provided that the Chief of Staff to the Premier is satisfied that sufficient safeguards are in place to ensure that the employer's interests are not compromised.

Human Resource Decisions

Political staff are to disqualify themselves as participants in human resource decisions when their objectivity would be compromised for any reason or a benefit or perceived benefit could accrue to them.

For example, staff are not to participate in staffing actions involving direct relatives or persons living in the same household.

Outside Remunerative and Volunteer Work

Political staff may hold jobs outside government, carry on a business, receive remuneration from public funds for activities outside their position, and engage in volunteer activities provided it does not:

- Interfere with the performance of their employment duties;
- Bring the government into disrepute;
- Represent a conflict of interest or create the reasonable perception of a conflict of interest;
- Appear to be an official act or to represent government opinion or policy;

- Involve the unauthorized use of work time or government premises, services, equipment, or supplies; or
- Gain an advantage that is derived from their employment with the Province of BC.

Political staff who are appointed as directors or officers of Crown corporations are not to receive any additional remuneration beyond the reimbursement of appropriate travel expenses except as approved by the Lieutenant Governor in Council.

Responsibilities

Chief of Staff to the Premier and Deputy Chief of Staff to the Premier

- Advise managers of political staff of the required standards of conduct and the consequences of non-compliance, including providing comprehensive orientation to new managers of political staff regarding the Standards of Conduct for Political Staff;
- Provide timely advice and direction to managers of political staff and political staff respecting the application of this policy statement, including guidance on an appropriate employer response to transgressions of this policy;
- Coordinate the development of awareness, training, and communication programs in support of this policy;
- Seek out advice as required on issues that are complex or cannot easily be resolved (e.g., advice from legal counsel, or the Head of the BC Public Service Agency);
- Where a political staff member has no other direct manager to whom they report, the Chief of Staff to the Premier or Deputy Chief of Staff to the Premier assumes the responsibilities assigned below to managers of political staff; and
- Establish procedures for providing advice and managing investigations of serious wrongdoing under the Public Interest Disclosure Act and reporting annually.

Managers of Political Staff

- Provide comprehensive orientation to new political staff regarding the Standards of Conduct for Political Staff;
- Advise political staff of the required standards of conduct and the consequences of non-compliance;
- Promote a work environment that is free of discrimination;
- Respond to reports of bullying, breaches of the Standards of Conduct for Political Staff, and wrongdoing, or refer them to the next level of manager not involved in the manner;
- Deal with breaches of this policy in a timely manner, taking the appropriate action based upon the facts and circumstances, and conferring with the Chief of Staff to the Premier as appropriate;
- Waive the provision on working relationships under the circumstances indicated;
- Delegate authority and responsibility, where applicable, to apply this policy within their organization; and
- Provide advice to and receive disclosures from political staff under the Public Interest Disclosure Act.

Political Staff

- Fulfill their assigned duties and responsibilities, regardless of the party or persons in power and regardless of their personal opinions;
- Disclose and resolve conflicts of interest or potential conflict of interest situations in which they find themselves;
- Maintain appropriate workplace behaviour;
- Report incidents of bullying, breaches of the Standards of Conduct for Political Staff, and wrongdoing.
- Avoid engaging in discriminatory conduct or comment; and,

- Check with their manager or Chief of Staff to the Premier when they are uncertain about any aspect of this policy.

STANDARDS OF CONDUCT



Where ideas work

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This policy statement applies to all persons and organizations covered by the Public Service Act. The policy statement supports the core policy objective that “public service employees exhibit the highest standards of conduct.”

Employees will exhibit the highest standards of conduct. Their conduct must instill confidence and trust and not bring the BC Public Service into disrepute. The honesty and integrity of the BC Public Service demands the impartiality of employees in the conduct of their duties.

The requirement to comply with these standards of conduct is a condition of employment. Employees who fail to comply with these standards may be subject to disciplinary action up to and including dismissal.

Loyalty

Public service employees have a duty of loyalty to the government as their employer. They must act honestly and in good faith and place the interests of the employer ahead of their own private interests. The duty committed to in the Oath of Employment requires BC Public Service employees to serve the government of the day to the best of their ability.

Confidentiality

Confidential information, in any form, that employees receive through their employment must not be disclosed, released, or transmitted to anyone other than persons who are authorized to receive the information. Employees with care or control of personal or sensitive information, electronic media, or devices must handle and dispose of these appropriately. Employees who are in doubt as to whether certain information is confidential must ask the appropriate authority before disclosing, releasing, or transmitting it.

The proper handling and protection of confidential information is applicable both within and outside of government and continues to apply after the employment relationship ends.

Confidential information that employees receive through their employment must not be used by an employee for the purpose of furthering any private interest, or as a means of making personal gains. (See the Conflicts of Interest section of this policy statement for details.)

Public Comments

BC Public Service employees may comment on public issues but must not engage in any activity or speak publicly where this could be perceived as an official act or representation (unless authorized to do so).

Employees must not jeopardize the perception of impartiality in the performance of their duties through making public comments or entering into public debate regarding ministry policies. BC Public Service employees must not use their position in government to lend weight to the public expression of their personal opinions.

Political Activity

BC Public Service employees may participate in political activities including membership in a political party, supporting a candidate for elected office, or seeking elected office. Employees' political activities, however, must be clearly separated from activities related to their employment.

If engaging in political activities, employees must remain impartial and retain the perception of impartiality in relation to their duties and responsibilities. Employees must not engage in political activities during working hours or use government facilities, equipment, or resources in support of these activities.

Partisan politics are not to be introduced into the workplace; however, informal private discussions among co-workers are acceptable.

Service to the Public

BC Public Service employees must provide service to the public in a manner that is courteous, professional, equitable, efficient, and effective. Employees must be sensitive and responsive to the changing needs, expectations, and rights of a diverse public in the proper performance of their duties.

Workplace Behaviour

Employees are to treat each other with respect and dignity and must not engage in discriminatory conduct prohibited by the Human Rights Code. The prohibited grounds are race, colour, ancestry, place of origin, religion, family status, marital status, physical disability, mental disability, sex, sexual orientation, gender identity or expression, age, political belief or conviction of a criminal or summary offence unrelated to the individual's employment.

Further, the conduct of BC Public Service employees in the workplace must meet acceptable social standards and must contribute to a positive work environment. Bullying or any other inappropriate conduct compromising the integrity of the BC Public Service will not be tolerated.

All employees may expect and have the responsibility to contribute to a safe workplace. Violence in the workplace is unacceptable. Violence is any use of physical force on an individual that causes or could cause injury and includes an attempt or threatened use of force.

Employees must report any incident of violence. Any employee who becomes aware of a threat must report that threat if there is reasonable cause to believe that the threat poses a risk of injury. Any incident or threat of violence in the workplace must be addressed immediately.

Employees must report a safety hazard or unsafe condition or act in accordance with the provisions of the WorkSafeBC Occupational Health and Safety Regulations.

Employees must conduct themselves professionally, be fit for duty, and be free from impairment (for example: from alcohol or drugs).

Conflicts of Interest

A conflict of interest occurs when an employee's private affairs or financial interests are in conflict, or could result in a perception of conflict, with the employee's duties or responsibilities in such a way that:

- the employee's ability to act in the public interest could be impaired; or
- the employee's actions or conduct could undermine or compromise:
 - the public's confidence in the employee's ability to discharge work responsibilities; or
 - the trust that the public places in the BC Public Service.

While the government recognizes the right of BC Public Service employees to be involved in activities as citizens of the community, conflict must not exist between employees' private interests and the discharge of their BC Public Service duties. Upon appointment to the BC Public Service, employees must arrange their private affairs in a manner that will prevent conflicts of interest, or the perception of conflicts of interest, from arising. Employees who find themselves in an actual, perceived, or potential conflict of interest must disclose the matter to their supervisor, manager, or ethics advisor. Examples of conflicts of interest include, but are not limited to, the following:

- An employee uses government property or equipment or the employee's position, office, or government affiliation to pursue personal interests or the interests of another organization;
- An employee is in a situation where the employee is under obligation to a person who might benefit from or seek to gain special consideration or favour;

- An employee, in the performance of official duties, gives preferential treatment to an individual, corporation, or organization, including a non-profit organization, in which the employee, or a relative or friend of the employee, has an interest, financial or otherwise;
- An employee benefits from, or is reasonably perceived by the public to have benefited from, the use of information acquired solely by reason of the employee's employment;
- An employee benefits from, or is reasonably perceived by the public to have benefited from, a government transaction over which the employee can influence decisions (for example, investments, sales, purchases, borrowing, grants, contracts, regulatory or discretionary approvals, appointments);
- An employee accepts from an individual, corporation, or organization, directly or indirectly, a personal gift or benefit that arises out of employment in the BC Public Service, other than:
 - the exchange of hospitality between persons doing business together;
 - tokens exchanged as part of protocol;
 - the normal presentation of gifts to persons participating in public functions; or
 - the normal exchange of gifts between friends; or
- An employee accepts gifts, donations, or free services for work-related leisure activities other than in situations outlined above.

The following four criteria, when taken together, are intended to guide the judgment of employees who are considering the acceptance of a gift:

- The benefit is of nominal value;
- The exchange creates no obligation;
- Reciprocation is easy; and
- It occurs infrequently.

Employees will not solicit a gift, benefit, or service on behalf of themselves or other employees.

Conflict of Interest Guidelines

To assist employees, managers, ethics advisors and deputy ministers in managing conflict of interest issues, the BC Public Service has established guidelines, tools and other resources. Please see the MyHR section of the BC Government website for more information.

Allegations of Wrongdoing

Employees have a duty to report any situation relevant to the BC Public Service that they believe contravenes the law, misuses public funds or assets, or represents a danger to public health and safety or a significant danger to the environment. Employees can expect such matters to be treated in confidence, unless disclosure of information is authorized or required

by law (for example, the Freedom of Information and Protection of Privacy Act). Employees will not be subject to discipline or reprisal for bringing forward to a Deputy Minister, in good faith, allegations of wrongdoing in accordance with this policy statement.

Employees must report their allegations or concerns as follows:

- Members of the BCGEU must report in accordance with Article 32.13;
- PEA members must report in accordance with Article 36.12; or
- Other employees must report in writing to their Deputy Minister or other executive member of the ministry, who will acknowledge receipt of the submission and have the matter reviewed and responded to in writing within 30 days of receiving the employee's submission. Where an allegation involves a Deputy Minister, the employee must forward the allegation to the Deputy Minister to the Premier.

These reporting requirements are in addition to an employee's obligation to report to the Comptroller General as outlined in Section 33.2 of the Financial Administration Act. Where an employee believes that the matter requires a resolution and it has not been reasonably resolved by the ministry, the employee may then refer the allegation to the appropriate authority.

If the employee decides to pursue the matter further then:

- Allegations of criminal activity are to be referred to the police in accordance with the Procedure for Reporting Employee Misconduct in Non-Emergency Situations to the Police (please see the MyHR section of the BC Government website for more information);
- Allegations of a misuse of public funds are to be referred to the Auditor General;
- Allegations of a danger to public health must be brought to the attention of health authorities; and
- Allegations of a significant danger to the environment must be brought to the attention of the Deputy Minister, Ministry of Environment.

Employees may also report wrongdoing under the Public Interest Disclosure Act to their supervisor, ministry designated officer, Agency designated officer or the Ombudsperson. Employees can find information about what types of wrongdoing may be reported under the Act and the process for reporting in the HR Policy on Public Interest Disclosure and the Procedures for Managing Disclosures. Please see the MyHR section of the BC Government website for more information.

Employees who are unsure about whether their concerns could be considered under the Public Interest Disclosure Act can seek advice from a supervisor, a designated officer or the Ombudsperson.

An employee reporting a wrongdoing under the Public Interest Disclosure Act to the Ombudsperson is not required to report the same wrongdoing to their employer unless the

Ombudsperson does not investigate or does not refer their disclosure. Reporting a wrongdoing to the Ombudsperson does not affect an employee's obligations to co-operate in any investigation into the subject matter of the wrongdoing

Legal Proceedings

Employees must not sign affidavits relating to facts that have come to their knowledge in the course of their duties for use in court proceedings unless the affidavit has been prepared by a lawyer acting for government in that proceeding or unless it has been approved by a ministry solicitor in the Legal Services Branch, Ministry of Attorney General. In the case of affidavits required for use in arbitrations or other proceedings related to employee relations, the Labour Relations Branch of the BC Public Service Agency will obtain any necessary approvals. Employees are obliged to cooperate with lawyers defending the Crown's interest during legal proceedings.

A written opinion prepared on behalf of government by any legal counsel is privileged and is, therefore, not to be released without prior approval of the Legal Services branch.

Working Relationships

Employees involved in a personal relationship outside work which compromises objectivity, or the perception of objectivity, should avoid being placed in a direct reporting relationship to one another.

For example, employees who are direct relatives or who permanently reside together may not be employed in situations where:

- A reporting relationship exists where one employee has influence, input, or decision-making power over the other employee's performance evaluation, salary, premiums, special permissions, conditions of work, and similar matters; or
- The working relationship affords an opportunity for collusion between the two employees that would have a detrimental effect on the Employer's interest.

The above restriction on working relationships may be waived provided that the Deputy Minister is satisfied that sufficient safeguards are in place to ensure that the Employer's interests are not compromised.

Human Resource Decisions

Employees are to disqualify themselves as participants in human resource decisions when their objectivity would be compromised for any reason or a benefit or perceived benefit could accrue to them.

For example, employees are not to participate in staffing actions involving direct relatives or persons living in the same household.

Outside Remunerative and Volunteer Work

Employees may hold jobs outside government, carry on a business, receive remuneration from public funds for activities outside their position, or engage in volunteer activities provided it does not:

- interfere with the performance of their duties as a BC Public Service employee;
- bring the government into disrepute;
- represent a conflict of interest or create the reasonable perception of a conflict of interest;
- appear to be an official act or to represent government opinion or policy;
- involve the unauthorized use of work time or government premises, services, equipment, or supplies; or
- gain an advantage that is derived from their employment with the BC Public Service.

Employees who are appointed as directors or officers of Crown corporations are not to receive any additional remuneration beyond the reimbursement of appropriate travel expenses except as approved by the Lieutenant Governor in Council.

Responsibilities

Agency Head

- Provide timely advice to managers, ethics advisors and deputy ministers respecting the application of this policy statement including guidance on an appropriate employer response to transgressions of the policy statement;
- Coordinate the development of awareness, training, and communication programs in support of this policy statement; and,
- Establish procedures for managing investigations of serious wrongdoing under the Public Interest Disclosure Act and reporting annually.

Deputy Ministers

- Advise employees of the required standards of conduct and the consequences of non-compliance;
- Designate a senior staff member in their organization as ethics advisor for matters related to the standards of conduct;
- Promote a work environment that is free of discrimination;
- Deal with breaches of this policy statement in a timely manner, taking the appropriate action based upon the facts and circumstances;
- Seek out guidance and advice from the Agency Head on issues that are complex and/or cannot be easily resolved;
- Waive the provision on working relationships under the circumstances indicated; and
- Delegate authority and responsibility, where applicable, to apply this policy

- statement within their organization; and,
- Designate a ministry designated officer for the purposes of providing advice to employees and receiving disclosures from employees under the Public Interest Disclosure Act. The designated officer may be the ministry ethics advisor or another senior official.

Ethics Advisors

- Provide advice on standards of conduct issues to employees and managers in their organization, including in regards to assessing and addressing possible conflicts of interest;
- Seek out guidance and advice from the BC Public Service Agency on issues that are complex and/or cannot be easily resolved;
- Determine whether an issue requires consideration and/or decision by the deputy minister and provide briefings to the deputy as necessary;
- Document any advice provided and/or decisions made; and
- Participate as ministry representative in working with the Corporate Ethics Lead to ensure a consistent and coordinated approach to ethics management across the public service.

Ministry Designated Officers

- Receive disclosures and provide advice to employees under the Public Interest Disclosure Act.
- Transfer disclosures to the Agency Designated Officer in a timely manner.

Line Managers

- Provide comprehensive orientation to new employees related to the Standards of Conduct;
- Advise staff on standards of conduct issues, including in regards to assessing and addressing possible conflicts of interest;
- Respond to reports of bullying, breaches of the Standards of Conduct, and wrongdoing, or refer them to the next level of excluded manager not involved in the matter;
- Engage the ministry-designated ethics advisor and seek advice from the BC Public Service Agency as may be appropriate in the circumstances;
- Document any advice provided and/or decisions made;
- Contribute to a work environment that is free of discrimination;
- Provide advice to and receive disclosures from employees under the Public Interest Disclosure Act; and,
- Transfer disclosures to the Agency Designated Officer in a timely manner.

Employees

- Objectively and loyally fulfill their assigned duties and responsibilities, regardless of the party or persons in power and regardless of their personal opinions;

- Disclose and cooperate with the employer to resolve conflicts of interest or potential conflict of interest situations in which they find themselves;
- Maintain appropriate workplace behavior;
- Report incidents of bullying, breaches of the Standards of Conduct and wrongdoing.
- Avoid engaging in discriminatory conduct or comment; and
- Check with their supervisor or manager when they are uncertain about any aspect of this policy statement.

This document has been checked for accessibility.



Conflict of Interest Disclosure

I, _____, withdrew from the
(Committee Member Name)

discussion of _____
(Topic / Description)

at _____ on _____ as I have a conflict
(Committee) (Date)

due to _____.
(General nature of the conflict, e.g. personal reasons)

(Signature of person making the disclosure)

Received by: _____ on _____
(Signature of Cabinet Committee Secretary) (Date)

Excerpt from the *Members' Conflict of Interest Act*

An excerpt from the *Members' Conflict of Interest Act* is noted below. **Section 10 (1)** outlines the responsibility of the committee member.

Procedure on conflict of interest¹

10 (1) A member who has reasonable grounds to believe that he or she has a conflict of interest in a matter that is before the Legislative Assembly or the Executive Council, or a committee of either of them, must, if present at a meeting considering the matter,

- (a) disclose the general nature of the conflict of interest, and
- (b) withdraw from the meeting without voting or participating in the consideration of the matter.

(2) If a member has complied with subsection (1), the Clerk of the Legislative Assembly or secretary of the meeting must record

- (a) the disclosure,
- (b) the general nature of the conflict of interest disclosed, and
- (c) the withdrawal of the member from the meeting.

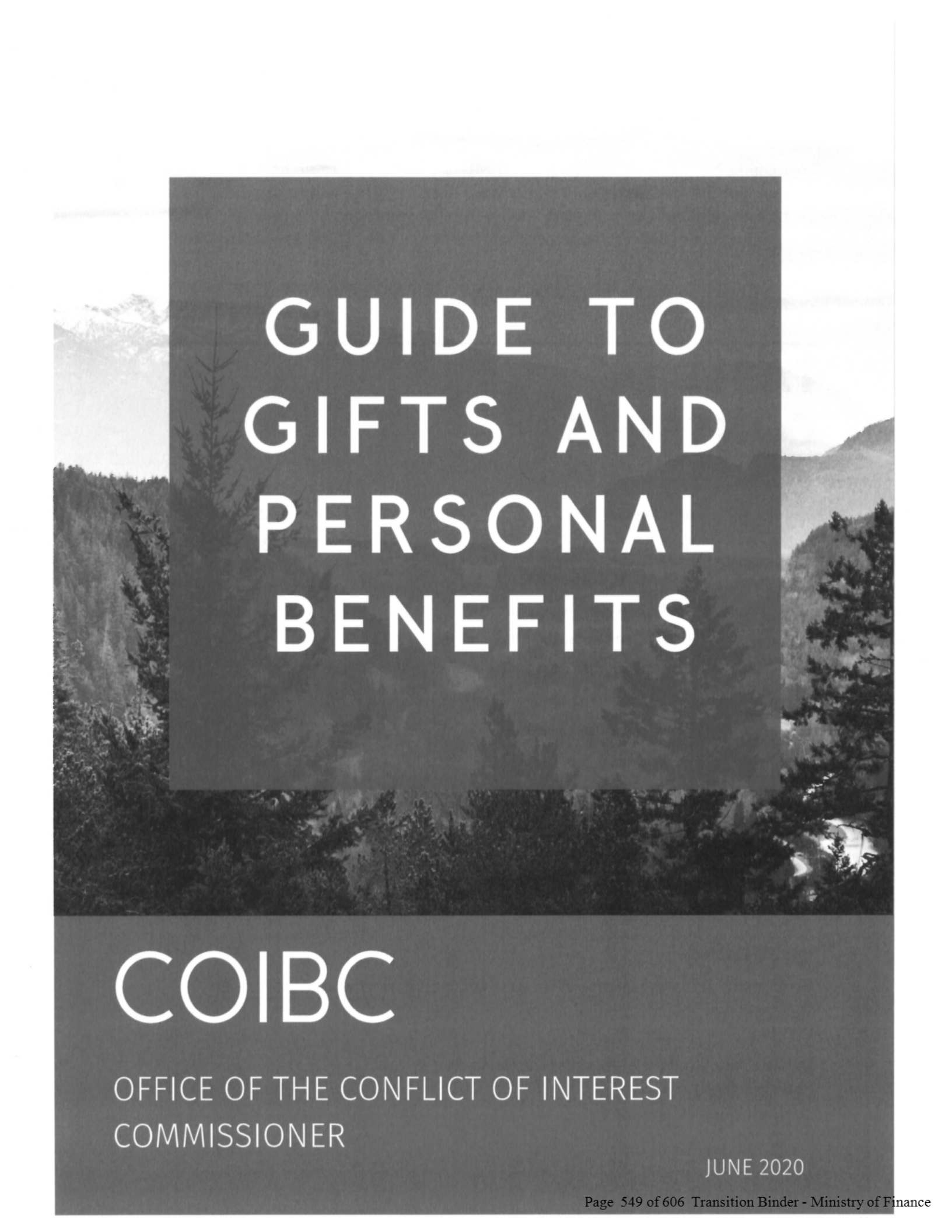
(3) The Clerk of the Legislative Assembly or secretary of the meeting must file the information recorded under subsection (2) with the commissioner,

- (a) in the case of a meeting of the Legislative Assembly or a committee of the Legislative Assembly, as soon as practicable, and
- (b) in the case of a meeting of the Executive Council or a committee of the Executive Council, as soon as practicable after the Executive Council's decision on the matter which has been the subject of the disclosure is made public.

(4) The commissioner must keep all information filed under subsection (3) in a central record kept for that purpose and must

- (a) make the central record available for inspection by any person without charge during normal business hours, and
- (b) on request by any person provide a copy of the record or portion of it on payment of a reasonable copying charge.

¹ *Members' Conflict of Interest Act*, [RSBC 1996] CHAPTER 287,
http://www.qp.gov.bc.ca/statreg/stat/M/96287_01.htm



GUIDE TO GIFTS AND PERSONAL BENEFITS

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COMMISSIONER

JUNE 2020

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RECORDS MANAGEMENT RESPONSIBILITIES OF MINISTERS

Government information created and held by BC's Cabinet ministers and their staff is a valuable public asset. The appropriate creation and maintenance of government information supports openness and transparency, facilitates effective decision making, provides evidence of government policies, programs and decisions, and contributes to the historical record for future generations.

Information is considered "Government information" if it is created or received by ministers and their staff *as ministers of the Crown*. Government information comes in many forms and includes books, documents, maps, drawings, photographs, letters, vouchers, papers and any other thing on which information is recorded or stored by any means whether graphic, electronic, mechanical or otherwise. Government information does not include MLA records or personal records.

"Transitory information" is information of temporary usefulness that is only needed for a limited period of time to complete a routine action, enter into a digital system, or prepare an official record. Transitory information does not have ongoing value for supporting or documenting the work of the Minister's Office, and therefore does not need to be maintained as part of the official records of the office. Note that it is the content and use of a record that determines its value, not its form (e.g. an email may be transitory or official.)

Next Steps

Like the rest of government, Ministers' Offices must adhere to legislative and policy requirements regarding information management, freedom of information, and privacy.

Shortly after taking office, Ministers and their staff should:

1. Familiarize themselves with the following:
 - a. [Appropriate Use Policy](#)
 - b. [Managing Government Information Policy \(MGIP\)](#)
 - c. [CRO Directive and Guidelines on Documenting Government Decisions](#) (also known as "Duty to Document"). A decision must be documented if it describes the evolution of government programs, protection of legal or financial rights or obligations and/or facilitates accountability
2. Develop procedures within their office for keeping government information separate from non-government information, including establishing the practice of using government accounts to conduct government business. More information can be found in Attachment A - [Government Records Service Guide to Managing Minister's Office Records](#).
3. Work closely with their Deputy Minister's Office to clarify what records will be held in the Minister's Office. While practices may vary somewhat among offices, the following are best practices: For most records received by or sent from a Minister's Office, the Office of Primary Responsibility (OPR) is the Deputy Minister's Office (i.e. most records are sent to the Deputy Minister's Office for retention, when no longer needed by the Minister's Office).

4. Develop practices around the regular deletion of transitory information. It is good practice for all offices to regularly dispose of transitory information when it is no longer useful, as this makes it easier to identify and manage the official records. Transitory information can and should be disposed of when it is no longer of value (e.g. deleted from an individual's email account). For further guidance see the Transitory Records Guide.

Summary

The Corporate Information and Records Management Office (CIRMO) is available to assist with Records Management and Freedom of Information questions. They offer dedicated, in-person training for Ministers and their staff and will be in touch in the early days of the administration to schedule a session. If you have questions in the meantime, please do not hesitate to reach out (contact information below).

Attachment(s): A – Government Records Service Guide to Managing Minister's Office Records

Contact: Kerry Pridmore, Assistant Deputy Minister
Corporate Information & Records Management, Ministry of Citizens' Services
778-698-1591



Managing Minister's Office Records

Overview

Government information created and held by British Columbia's cabinet ministers and their staff is a valuable public asset. The appropriate creation and maintenance of government information supports openness and transparency, facilitates effective decision making, provides evidence of government policies, programs and decisions, and contributes to the historical record for future generations.

Like the rest of government, ministers' offices are subject to statutory and policy requirements regarding information management, freedom of information, and privacy. They are also subject to the government-wide directive on appropriate use of information and information technology resources ("[Appropriate Use Policy](#)") and the Chief Records Officer Directive on [Documenting Government Decisions](#) (CRO 01-2019). Minister's Office employees must also adhere to their Oath and to the Standards of Conduct.

A minister's office typically has three categories of records:

- **Non-government Records** that relate to the private life and personal interests of the minister and staff.
- **Member of Legislative Assembly (MLA) Records**, which are the political and constituency records generated by ministers in their capacity as members of the Legislative Assembly.

Personal and MLA records should be managed separately from government records, in order to protect privacy and avoid having to separate them later on (it is unlikely that an incoming minister and staff would have access to the personal and MLA records of their predecessors).

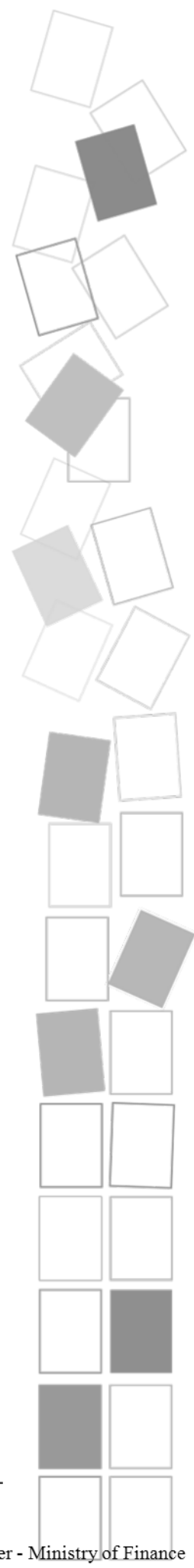
- **Government information** that is created or received by ministers and their staff as ministers of the Crown. These include both official and transitory records and are subject to the [Information Management Act \(IMA\)](#) and the [Freedom of Information and Protection of Privacy Act \(FOIPPA\)](#).

Official Records

Given the level of responsibility of a minister's office, official records must be maintained in an appropriate recordkeeping system. This includes the master or file copies of records that document decisions, decision-making processes, and substantive activities of the office.

A government body should document a decision where a record would serve one or more of the following purposes:

- Informing the government body or others about the evolution of the government body's programs, policies or enactments;
- Protecting the legal or financial rights or obligations of the government body, the Crown, or any person, group of persons, government or organization that is directly and materially affected by the decision;
- Facilitating the government body's accountability for its decisions, including through internal or external evaluation, audit or review.



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For more information on how to identify decisions that should be documented, see the Chief Records Officer [Guidelines on Documenting Government Decisions](#). Minister's office records now are increasingly digital (e.g. electronic messages and documents) and are maintained in many locations by multiple responsible bodies. Records are typically received from many offices, acted upon by the minister's office, and then routed to other offices for action and/or retention.

While practices may vary somewhat among offices, the following are best practices: **For most records received by or sent from a minister's office, the Office of Primary Responsibility (OPR) is the deputy minister's office** (i.e. with such exceptions as listed below, most records are sent to the deputy minister's office for retention, when no longer needed by the minister's office).

The deputy minister's office is able to provide continuity and appropriate public service administration of the records of successive ministers. In some cases, certain minister's office records are best maintained along with other related records within the appropriate functional area.

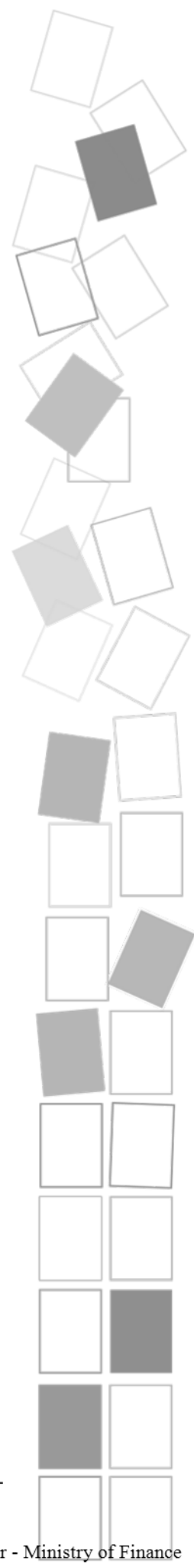
- **Cabinet records go to Cabinet Operations.**
- **Expense records go the Ministry of Finance.**
- **Other types of records** (e.g. approved decision notes) may go to the **relevant ministry program area OPR** for the subject matter.

Recordkeeping Requirements for Official Records

Since ministers' office records are maintained by a variety of responsibility centres, it is important to maintain documentation of where specific types of records are routed. Best practice is to maintain this documentation within the deputy minister's office.

Appendix A provides an overview of the basic routing and documentation requirements, which are:

- **Identify the offices responsible for maintaining official records received from the minister's office.** See the records' location and types list at the end of Appendix A for an example of an easy way to track designated responsibility centres for various types of records.
- **Ensure that offices identified as responsibility centres are aware of their role.** Offices receiving the master "file copies" of minister's office records need to be aware that they are responsible for maintaining the records for the required length of time, in a secure, accessible manner. (Under current information schedules, official records of minister's offices must be retained at least 10 years). See the [Recordkeeping Systems](#) guide for more information on appropriate recordkeeping systems and practices.
- Keep Government Records separate from the records related to their personal affairs, caucus or political party work, constituency business, or Legislative Assembly business. This will avoid potential confusion should an FOI request be made for the government information
- **When a freedom of information (FOI) request or litigation search occurs, use the above documentation to provide relevant information about where the requested records are held.**



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Transitory Information

Transitory information is information of temporary usefulness that is only needed a limited period of time to complete a routine action, enter into a digital system, or prepare an official record. This information does not have ongoing value for supporting or documenting the work of the minister's office, and therefore does not need to be maintained as part of the official records of the office.

Note that it is the content and use of a record that determines its value, not its form (e.g. an email may be transitory or official.)

It is good practice for all offices to regularly dispose of transitory information when it is no longer useful. This makes it easier to identify and manage the official records. Transitory information can and should be disposed of when it is no longer of value (e.g. deleted from an individual's email account).

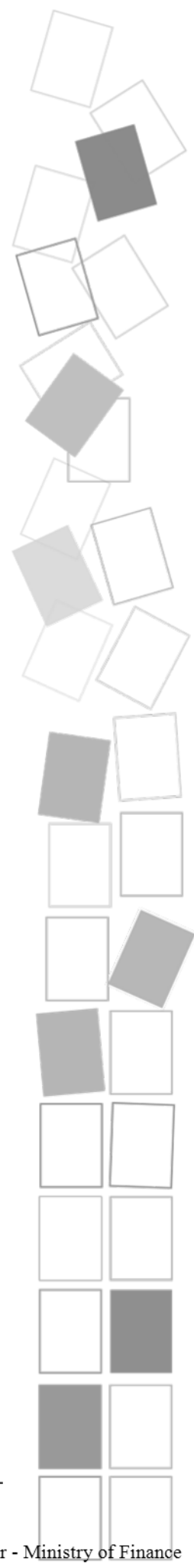
For further guidance see the [Transitory Records Guide](#). See **Appendix B** below for scenarios regarding transitory information and official records of minister's offices.

Freedom of Information and Protection of Privacy

Government records within a minister's office are subject to *the Freedom of Information and Protection of Privacy Act (FOIPPA)* and must be searched in response to an FOI request. Designated FOI contacts for ministers' offices are located within the deputy ministers' office. Ministers' offices are also subject to government-wide privacy policies.

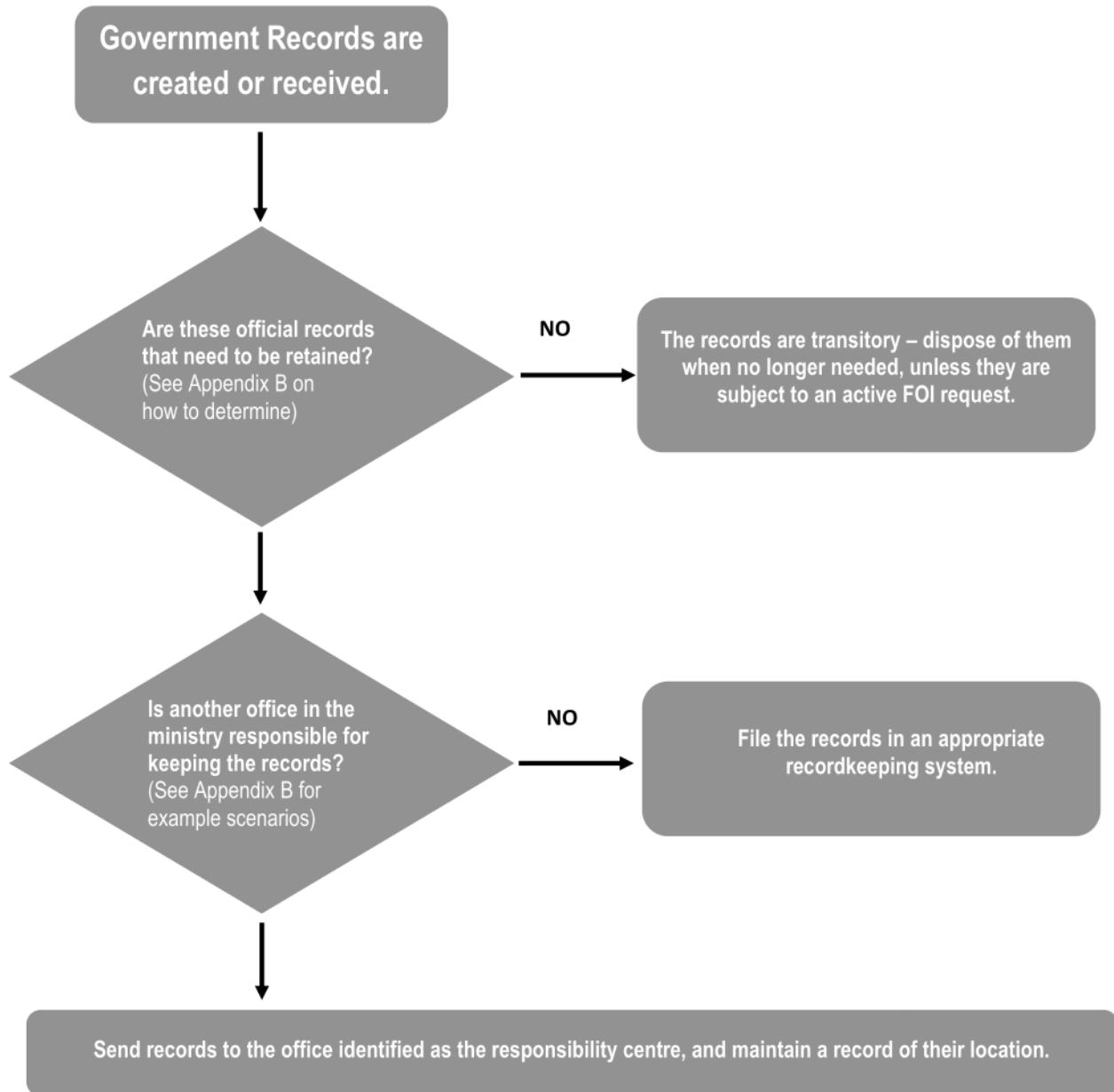
If the minister's office receives a freedom of information or litigation search request, ALL relevant records must be provided, including transitory information. Transitory information that is subject to such requests must be retained pending completion of the applicable FOI response process and review period or the applicable litigation activities (contact Information Access Operations and Legal Services Branch, respectively, for guidance on particular cases).

Where a single record (e.g. an email thread) contains information related to an MLA's personal affairs, caucus or political party work, constituency business, or Legislative Assembly business, and that information is inseparable from and integrated into a government record (e.g. in a single email thread or on the same page of a notebook), the entire record is subject to FOIPPA and must be treated as responsive to an FOI request.



APPENDIX A

Ministers' Office Records Processes



RECORDS MANAGEMENT GUIDE

APPENDIX B

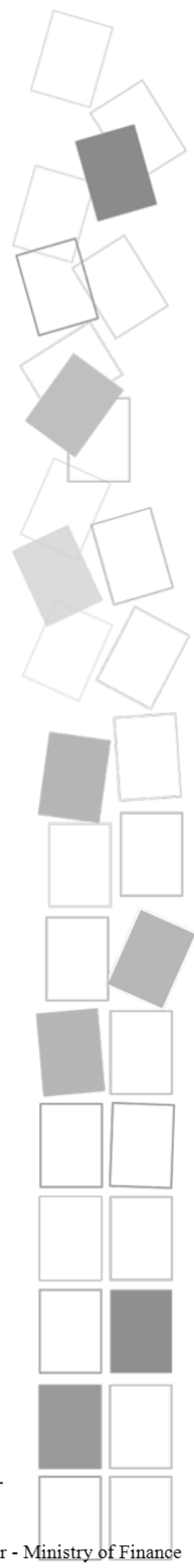
Scenarios Regarding Transitory Information and Official Records

The following scenarios illustrate the variety of functions performed by a minister's office (MO) and the types of records it receives and creates. These scenarios assume that many of the official records for a minister's office will typically be filed and saved by the deputy minister's office (DMO) or other appropriate responsibility centre. Under this practice, residual copies remaining in the minister's office are transitory and may be disposed of when no longer needed.

Scenario 1 – Speeches and Presentations

The minister has been asked to speak about a new ministry initiative at a conference at UNBC. The MO works with the ministry program area on the speech/presentation.

Function/Process	Records are
Event planning correspondence (email strings around choices of hotel, flights, government vehicle use)	<u>Transitory</u> <ul style="list-style-type: none">• Dispose of when no longer useful.
Official invitations and itinerary (e.g. purpose for minister's attendance, background on the event, venue, dates)	<u>Official records</u> <ul style="list-style-type: none">• Retain records in MO or DMO.• Any attachments need to be removed from calendar entry and filed separately.
Minister's speech or presentation (e.g. text, audio-video)	<u>Official Records</u> <ul style="list-style-type: none">• Government Communications and Public Engagement (GCPE) retains the official record of the minister's speech or presentation.• Official copies of presentation material may be retained by the originating program area if they are of continuing value to that program. <u>Transitory</u> <ul style="list-style-type: none">• Residual copies may be retained by the MO or DMO for reference purposes until no longer useful.

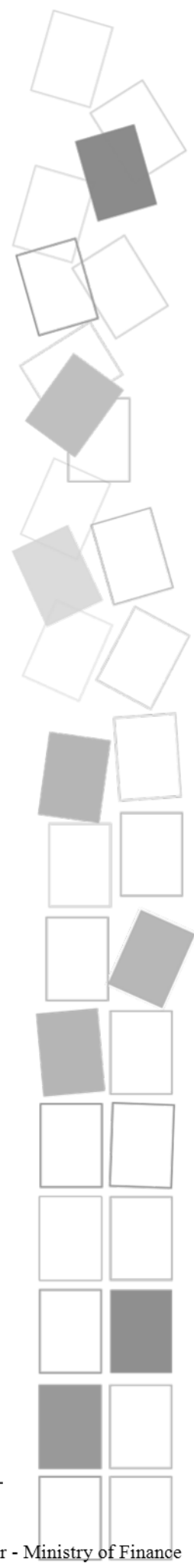


RECORDS MANAGEMENT GUIDE

Scenario 2 – Travel Planning and Expenses

The minister is travelling to Ottawa to attend an annual meeting of Federal/Provincial/Territorial ministers.

Function/Process	Records are
Travel planning correspondence (Email strings relating to choice of flights, airport transports, car rentals, hotels etc.)	<p><u>Transitory</u></p> <ul style="list-style-type: none"> • Dispose of when no longer useful.
Travel and meeting itineraries (e.g. purpose of trip, planned meetings, dates, venues, attendees)	<p><u>Official records</u></p> <ul style="list-style-type: none"> • Retain records in either MO or DMO. If the official records are retained in the DMO, then residual MO copies are transitory.
Invitation logged in Outlook calendar	<p><u>Official records</u></p> <ul style="list-style-type: none"> • MO will save a pdf of the calendar each month. • These records will be retained in MO or DMO.
Meeting-related records prepared by ministry (e.g. briefing notes, handouts, slides)	<p><u>Transitory</u> (residual MO copies)</p> <ul style="list-style-type: none"> • Official records are retained in DMO and/or other appropriate responsibility centre. • MO copies should be disposed of when no longer needed.
Meeting related records received before or at meeting (agenda, minutes, notes, content provided by other attendees)	<p><u>Official records</u></p> <ul style="list-style-type: none"> • Retain records in either MO or DMO. If the official records are retained in the DMO, then residual MO copies are transitory.
Travel expenses for Minister and accompanying staff (e.g. transportation and accommodation costs, per diem, receipts)	<p><u>Official records</u></p> <ul style="list-style-type: none"> • Travel vouchers and receipts are sent to Ministry of Finance. • Residual MO copies are transitory.
Presentations or speeches by Minister	<ul style="list-style-type: none"> • See Speeches and Presentations scenario.



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Scenario 3 – House briefing materials

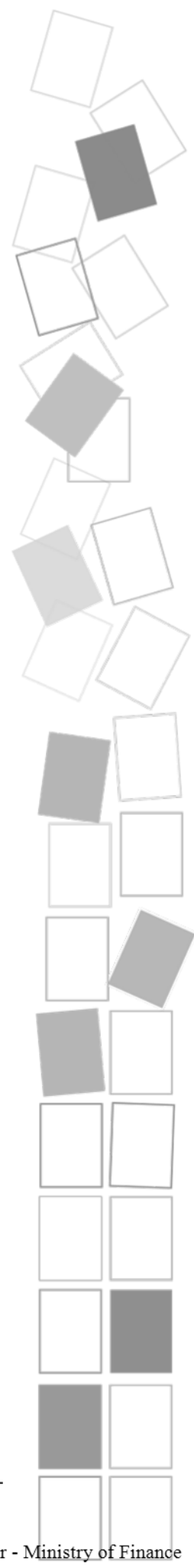
Ministry program areas have been asked to provide the Minister with material for the budget estimates debate in the House.

Function/Process	Records are
<p>Briefing materials and questions</p> <p>(e.g. hardcopy binders, documents attached in CLIFF)</p>	<p><u>Transitory</u> (residual MO copies)</p> <ul style="list-style-type: none"> • Official records are retained in the DMO or other relevant responsibility centre. • Copies in MO should be disposed of when no longer useful.
<p>Correspondence relating to direction on preparation of budget estimates</p>	<p><u>Transitory</u> (residual MO copies)</p> <ul style="list-style-type: none"> • Official records are retained in the DMO.

Scenario 4 – Non-Cabinet Committees/Meetings

The minister is attending a meeting with key stakeholders about progress to date on a ministry-sponsored project.

Function/Process	Records are
<p>Meeting invitation in Outlook Calendar</p>	<p><u>Official records</u></p> <ul style="list-style-type: none"> • The MO will save a PDF calendar each month for filing. • These records will be retained in the MO or DMO.
<p>Meeting preparation</p> <p>(includes background/briefing materials and reports developed by the ministry, content prepared for meeting stakeholders)</p>	<p><u>Transitory</u> (residual MO copies)</p> <ul style="list-style-type: none"> • Official records are retained in the DMO or other appropriate responsibility centre. • Minister's office copies should be disposed of when no longer useful.
<p>Meeting records</p> <p>(includes agenda, records received from stakeholders, agenda, minutes, notes)</p>	<p><u>Official records</u></p> <ul style="list-style-type: none"> • These records will be retained in the MO or DMO. If the official records are retained in the DMO, then residual MO copies are transitory.



RECORDS MANAGEMENT GUIDE

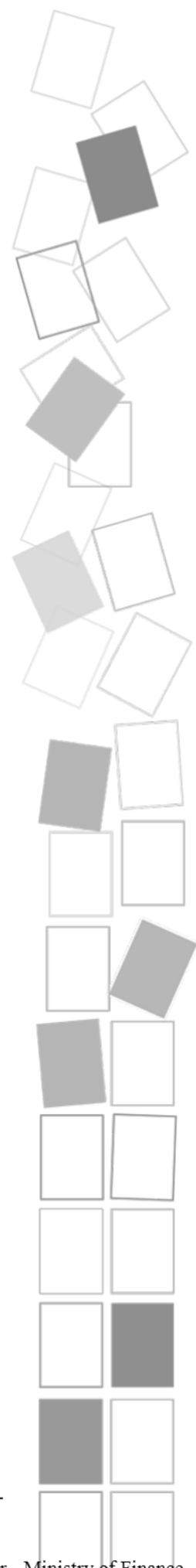
Scenario 5 – Unfiled Minister’s Office E-Mail

Due to volume, MO personnel have accumulated e-mail that has not been disposed of over time as clearly transitory or filed in other systems (e.g. EDRMS Content Manager).

Function/Process	Records are
Accumulation of email messages in Outlook folders	<p><u>Official records</u></p> <ul style="list-style-type: none">• MO retains these records until they have been either filed in another office system or transferred to the DMO (e.g. when the minister transfers to another portfolio).• MO personnel should continue to dispose of transitory messages (per the Transitory Records Guide) consistent with policy direction, except those identified in FOI and litigation searches, and to remove or dispose of any MLA or personal messages.• DMO will ultimately assume responsibility for these e-mail accumulations.

Additional Information

Contact your [Records Team](#) or check out the [Records Management website](#).





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for British Columbia

Protecting privacy. Promoting transparency.

USE OF PERSONAL EMAIL ACCOUNTS FOR PUBLIC BUSINESS

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2. MINISTERS' SALARIES, BENEFITS & EXPENSES

Pursuant to the *Members' Remuneration and Pensions Act*, each Member of the Legislative Assembly (MLA) receives basic compensation, with an additional salary if they hold a ministerial or parliamentary position. Information on Members' compensation is reported publicly on the Legislative Assembly website and annually in the provincial Public Accounts.

Members who hold ministerial or parliamentary office receive an additional salary that corresponds to a percentage of their basic compensation. If a Member holds two or more positions for which an additional salary is granted, the Member will receive only the higher amount.

The following table outlines the amount paid with respect to service in any of the listed positions. The amount is paid in addition to the basic compensation on the bi-weekly payroll and is fully taxable.

Please note that only salaries related to Ministers or parliamentary positions are listed in this Appendix. For MLA-specific information, including pension and other benefits, constituency travel, etc. please see the Legislative Assembly of BC Members' Guide to Policy and Resources at: <https://members.leg.bc.ca/home/remuneration-benefits/>.

Further information about Ministers' travel/vehicle expenses policies can be found on the website for Ministers' Office Support Services in the Ministry of Finance: <http://gww.fin.gov.bc.ca/gws/camss/moss>.

Position	% of Basic Compensation	Additional Salary (annual)	(bi-weekly)
	100 %	\$111,024.19	\$ 4,258.46
Premier	90 %	\$ 99,921.77	\$ 3,832.62
Minister	50 %	\$ 55,512.10	\$ 2,129.23
Minister of State	35 %	\$ 38,858.47	\$ 1,490.46
Speaker	50 %	\$ 55,512.10	\$ 2,129.23
Deputy Speaker	35 %	\$ 38,858.47	\$ 1,490.46
Assistant Deputy Speaker	35 %	\$ 38,858.47	\$ 1,490.46
Government Whip	20 %	\$ 22,204.84	\$ 851.69
Deputy Government Whip	15 %	\$ 16,653.63	\$ 638.77

Government Caucus Chair	20 %	\$ 22,204.84	\$ 851.69
Deputy Chair, Committee of the Whole	20 %	\$ 22,204.84	\$ 851.69
Parliamentary Secretary	15 %	\$ 16,653.63	\$ 638.77
Leader of the Official Opposition	50 %	\$ 55,512.10	\$ 2,129.23
Official Opposition House Leader	20 %	\$ 22,204.84	\$ 851.69
Official Opposition Whip	20 %	\$ 22,204.84	\$ 851.69
Official Opposition Deputy Whip	15 %	\$ 16,653.63	\$ 638.77
Official Opposition Caucus Chair	20 %	\$ 22,204.84	\$ 851.69
Leader of the Third Party	25 %	\$ 27,756.05	\$ 1,064.62
Third Party House Leader	10 %	\$ 11,102.42	\$ 425.85
Third Party Whip	10 %	\$ 11,102.42	\$ 425.85
Third Party Caucus Chair	10 %	\$ 11,102.42	\$ 425.85
Chair, Select Standing or Special Committee	15 %	\$ 16,653.63	\$ 638.77
Deputy Chair, Select Standing or Special Committee	10 %	\$ 11,102.42	\$ 425.85

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E. Statutory Officers of the Legislature

STATUTORY OFFICERS OF THE LEGISLATURE

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Overview of Current Statutory Officers

Position	Incumbent	Appointment and Term	Authority
Auditor General	Michael Pickup	Appointed: Resolution of Legislative Assembly Term: 8 years Start: July 27, 2020 End: July 26, 2028	<i>Auditor General Act</i> Ministry of Finance
Chief Electoral Officer	Anton Boegman	Appointed: Lieutenant Governor (Certificate) on recommendation of Legislative Assembly Term: Two elections plus 12 months Start: June 1, 2018 End: TBD	<i>Election Act</i> Ministry of Attorney General
Human Rights Commissioner	Kasari Govender	Appointed: Legislative Assembly Term: 5 years Start: September 2, 2019 End: September 3, 2024 (may be reappointed for one further term)	<i>Members' Conflict of Interest Act</i> Ministry of Attorney General
Information and Privacy Commissioner and Registrar for Lobbyists	Michael McEvoy	Appointed: Lieutenant Governor (Certificate) Term: 6 years Acting appointment: Lieutenant Governor in Council Start: April 1, 2018 End: March 30, 2024	<i>Freedom of Information and Protection of Privacy Act</i> Ministry of Citizens' Services <i>Lobbyists Registration Act</i> Ministry of Attorney General
Members' Conflict of Interest Commissioner	Victoria Gray, Q.C.	Appointed: Lieutenant Governor in Council Term: 5 years Start: January 6, 2020 End: January 5, 2025 (may be reappointed for further term or terms)	<i>Members' Conflict of Interest Act</i> Ministry of Attorney General
Merit Commissioner	Fiona Spencer	Appointed: Lieutenant Governor in Council Term: 3 years Start: April 5, 2016 End: April 5, 2019	<i>Public Service Act</i> Ministry of Finance
Ombudsperson	James (Jay) Michael Chalke, Q.C.	Appointed: Lieutenant Governor (Certificate) Term: 6 years Start: July 1, 2015 End: July 1, 2021	<i>Ombudsperson Act</i> Ministry of Attorney General
Police Complaint Commissioner	Clayton Pecknold	Appointed: Resolution of Legislative Assembly Term: 5 years Start: March 1, 2015 End: March 1, 2019	<i>Police Act</i> Ministry of Attorney General

Position	Incumbent	Appointment and Term	Authority
Representative for Children and Youth	Jennifer Charlesworth	Appointed: Resolution of Legislative Assembly Term: 5 years Start: October 1, 2018 End: September 30, 2023	<i>Representative for Children and Youth Act</i> Ministry of Attorney General

Statutory Officers of the Legislature

Statutory officers help the Members of the Legislative Assembly monitor and assess government programs, procedures and performance, or perform specific functions at arms-length from government. Statutory officers serve for fixed terms that vary according to the statute governing each position. The following section briefly summarizes the role of each statutory officer. There are nine Statutory Officers of the Legislative Assembly. They are:

- Auditor General;
- Chief Electoral Officer;
- Human Rights Commissioner;
- Information and Privacy Commissioner;
- Members' Conflict of Interest Commissioner;
- Merit Commissioner;
- Ombudsperson;
- Police Complaint Commissioner; and
- Representative for Children and Youth.

How the Officers are appointed

Of the nine positions, the four following Officers are appointed by resolution of the Legislative Assembly upon unanimous recommendation by a Special Committee of the Legislative Assembly:

- Auditor General;
- Human Rights Commissioner;
- Police Complaint Commissioner; and
- Representative of Children and Youth.

Of the remaining five Officer positions, three are appointed by the Lieutenant Governor upon unanimous recommendation of a Special Committee and recommendation by the Legislative Assembly:

- Chief Electoral Officer;

- Information and Privacy Commissioner; and
- Ombudsperson.

The last two Officer positions are appointed by the Lieutenant Governor in Council:

- Members' Conflict of Interest Commissioner (motion of the Premier in the Legislative Assembly and recommendation of 2/3 Members present); and
- Merit Commissioner (unanimous recommendation of a Special Committee and recommendation by the Legislative Assembly).

Office Budgets

Unlike government ministries, the independent statutory officers submit three-year rolling budget proposals each year to the Select Standing Committee on Finance and Government Services, which in turn reports to the Legislative Assembly with recommendations for funding.

Detailed information on each Officer follows.

Auditor General

Michael Pickup

Authority

Auditor General Act, Ministry of Finance

Profile

The Auditor General is the Legislative Assembly of British Columbia's independent auditor. Under the *Auditor General Act*, the Office of the Auditor General serves the people of British Columbia and their elected representatives by conducting independent audits and advising on how well government is managing its responsibilities and resources.

Term

Eight years. May not be reappointed.

Term Expiry

July 27, 2028.

Budget and Staff

For 2019/20, the Office's budget was \$18.2 million. There are 117 FTEs.

Remuneration, Pension and Expenses

The salary of the Auditor General is equal to the Chief Judge of the Provincial Court of British Columbia and the legislation provides for reimbursement for travelling and out of pocket expenses. The legislation also provides that the Public Section Pension Plan applies to the Auditor General.

Mandate

Under the *Auditor General Act*, the auditor general has a mandate to audit the government reporting entity, which includes ministries, Crown corporations and other organizations controlled by, or accountable to, the provincial government. This includes school districts, universities, colleges, health societies and health authorities.

Financial audits are independent opinions on the financial statements of government organizations. Through these audits, the Auditor General can determine if those statements are presented fairly and free of material errors, misstatements and omissions. The largest financial audit is of the Summary Financial Statements of the Government of British Columbia, which encompasses 143 public sector entities and ministries.

Performance audits provide assurance to legislators that provincial programs, services and resources are operating with efficiency, economy and effectiveness. Through these audits, the office also makes recommendations for improvement. Topics include health care, education, transportation, information technology, the environment, financial management, and more. The performance audit team is dedicated to delivering the performance audit coverage plan. Similarly, auditors choose performance audits by considering the direct impact of programs on people in British Columbia, as well as the financial implications for taxpayers.

As well, the office may publicly report on work that is not an audit, such as a review or an examination.

Chief Electoral Officer

Anton Boegman

Authority

Election Act, Ministry of Attorney General

Local Elections Campaign and Financing Act, Ministry of Municipal Affairs and Housing

Profile

The Chief Electoral Officer (CEO) is responsible for the impartial administration of provincial electoral events and referendums, recalls and initiatives in accordance with the *Election Act*. The CEO is also responsible for the maintenance of the provincial voters list and voter education. The CEO ensures the fairness, openness and impartiality of the electoral process and cannot be a member of a political party, cannot give money to a political party or candidate and cannot vote in a provincial election.

Under the *Local Elections Campaign and Financing Act*, Elections BC administers campaign financing, disclosure and election advertising rules for local government elections. Elections BC does not administer voting or candidate nominations for these elections.

Term

The term is from the date of appointment until 12 months after the date set for the return of the last writ for the second general election for which the Chief Electoral Officer (CEO) is responsible. Mr. Boegman was appointed June 1, 2018 and the October 2020 election is Mr. Boegman's first. If the next provincial election is a scheduled election under the *Constitution Act* (i.e. October 2024), term expiry will be November 2025. The CEO may be reappointed to further terms of office.

Term Expiry

Unknown – see "Term".

Budget and Staff

For 2019/20, the budget for Elections BC was \$18.2 million. Uniquely among the officers, Elections BC's budget is highly event-driven and may fluctuate dramatically from year to year. For 2020/21 the budget will be significantly increased due to the conduct of the October 2020 general election – the 2017 general election cost \$39.45 million to administer. There are approximately 55 permanent employees.

Remuneration, Pension and Expenses

The salary of the CEO is equal to the Chief Judge of the Provincial Court of British Columbia and the legislation provides for reimbursement for travelling and out of pocket expenses. The legislation also provides that the Public Section Pension Plan applies to the CEO.

Mandate

Elections BC administers provincial general elections, by-elections, recall petitions, initiative petitions, initiative votes, referenda and plebiscites, and oversee campaign financing and advertising rules at the local level.

Elections BC is an independent and non-partisan Office of the Legislature, and its mandate comes from several Acts, including the *Election Act*, *Recall and Initiative Act*, *Referendum Act* and *Local Elections Campaign Financing Act*. Together, these Acts define the office's responsibilities and set out the duties of the Chief Electoral Officer.

Elections BC administers the most comprehensive range of electoral legislation in Canada, with the *Recall and Initiative Act* being unique in the Commonwealth.

Elections BC is responsible for maintaining the Provincial Voters List and regulating access to it.

The CEO is a member of the independent Electoral Boundaries Commission, and Elections BC has responsibility for maintaining a geospatial database of BC's electoral boundaries.

Human Rights Commissioner

Kasari Govender

Authority

Human Rights Code, Ministry of Attorney General

Profile

The Human Rights Commissioner and her office work to address the root causes of inequality, discrimination and injustice in B.C. by shifting laws, policies, practices and cultures through education, research, advocacy, inquiry and monitoring. The office was created in legislation in 2018.

Term

Five years.

Term Expiry

September 3, 2024.

Budget and Staff

For 2019/20 the budget for the Office of the Human Rights Commissioner was \$2 million, increasing to \$5.5 million in the current fiscal year as the office assumes its full responsibilities.

Remuneration, Pension and Expenses

The compensation of the Commissioner is set by the Lieutenant Governor in Council and the legislation provides for reimbursement for travelling and out of pocket expenses. The legislation also provides that the Public Section Pension Plan applies to the Commissioner.

Mandate

- Identify and promote the elimination of discriminatory practices, policies and programs;
- Develop, deliver and support research and education about human rights;
- Create policies, guidelines and recommendations to prevent discrimination and ensure policies, programs and legislation are consistent with the BC Human Rights Code;
- Promote compliance with international human rights obligations;
- Approve special programs to improve conditions of disadvantaged individuals or groups;

- Intervene or represent complainants in human rights proceedings before the BC Human Rights Tribunal and other courts and tribunals;
- Conduct human rights investigations and inquiries and issue reports and recommendations;
- Make special reports to the Legislature about human rights in B.C.;
- Inquire into matters referred to BC's Human Rights Commissioner by the Legislative Assembly.

Information and Privacy Commissioner and Registrar of Lobbyists

Michael McEvoy

Authority

Freedom of Information and Protection of Privacy Act, Ministry of Citizens' Services

Lobbyists Registration Act, Ministry of Attorney General

Profile

This position is unique amongst the BC statutory officers in that it encompasses two sets of responsibilities. Under the *Freedom of Information and Protection of Privacy Act* ("FOIPPA") and the *Personal Information Protection Act* ("PIPA"), the Office of the Information and Privacy Commissioner is to review public bodies' decisions respecting access to information and protection of privacy, and to comment on information and privacy implications of government legislation and program.

Under the *Lobbyists Registration Act* ("LRA"), the Office of the Registrar of Lobbyists manages the publicly-accessible lobbyists registry and enforces compliance with the LRA.

Term

Six years.

Term Expiry

March 30, 2024.

Budget and Staff

For 2019/20, the Office of the Information and Privacy Commissioner's budget was \$6.7 million. There are approximately 40 employees.

Remuneration, Pension and Expenses

The salary of the Commissioner is equal to the Chief Judge of the Provincial Court of British Columbia and the legislation provides for reimbursement for travelling and out of pocket expenses. The legislation also provides that the Lieutenant Governor in Council may apply the Public Section Pension Plan to the Commissioner.

Mandate

Under FOIPPA, the Commissioner has the power to:

- investigate, mediate and resolve appeals concerning access to information disputes, including issuing binding orders;
- investigate and resolve privacy complaints;
- initiate Commissioner-led investigations and audits of public bodies or organizations, if there are reasonable grounds of non-compliance or if it is in the public interest;
- comment on the access and privacy implications of proposed legislation, programs or policies;
- comment on the privacy implications of new technologies and/or data matching schemes;
- conduct research into anything affecting access and privacy rights; and
- educate and inform the public about their access and privacy rights and the relevant laws.

The Commissioner's jurisdiction extends to approximately 2,900 public bodies, including the core provincial government, provincial agencies, boards and commissions, and local governments. A full list of public bodies is set out in Schedule 2 of FOIPPA.

Under the Lobbyists Registration Act ("LRA"), the mandate of the Office of the Registrar of Lobbyists is to:

- Promote awareness among lobbyists of registration requirements;
- Promote awareness among the public of the existence of the lobbyists registry;
- Manage registrations submitted to the lobbyists registry; and
- Monitor and enforce compliance with the LRA.

Members' Conflict of Interest Commissioner

Victoria Gray, QC

Authority

Members' Conflict of Interest Act, Ministry of Attorney General

Profile

The Commissioner has three primary roles:

- to provide confidential advice to Members about their obligations under the Act;
- to oversee the disclosure process, including meeting with each Member at least annually to review the disclosure of the Member's financial interests;
- to respond to allegation that a Member has contravened the Act, and conduct an Inquiry if warranted.

Term

The Commissioner is appointed for a five-year term and may be reappointed for a further term or terms.

Term Expiry

January 5, 2025.

Budget and Staff

For 2019/20, the budget for the Office of the Conflict of Interest Commissioner was \$718,000. The office has five staff, three of whom are part-time.

Remuneration, Pension and Expenses

The salary of the Commissioner is specified in the appointment by the Lieutenant Governor in Council and is set at \$226,800 for 2020, with an annual cost of living adjustment of 2% per year. This initial salary is equal to 75% of the salary of the Chief Judge of the Provincial Court. The legislation does not provide for reimbursement for travelling and out of pocket expenses, nor does it provide for application of the Public Section Pension Plan to the Commissioner. However, the Order in Council provides that all of the benefits received by the Auditor General may be received by the Conflict of Interest Commissioner and the Auditor General receives reimbursement for travelling, out of pocket expenses and that the Public Sector Pension Plan applies.

Mandate

The Commissioner performs three separate but related roles:

First, the Commissioner acts as an advisor to Members of the Legislative Assembly so the Members know what their obligations are and that the steps they have taken or propose to take will fulfill those obligations.

Second, the Commissioner meets with each Member at least annually to review the disclosure of the Member's interests and general obligations imposed by the Act.

Third, the Commissioner will undertake investigations and make inquiries into alleged contraventions of the *Members' Conflict of Interest Act* or section 25 of the *Constitution Act*. The Commissioner may provide written opinions on application by any individual Member, the Executive Council, the Legislative Assembly, or by a member of the public and may at the request of the Lieutenant Governor in Council, or of the Legislative Assembly undertake such special assignments as the Commissioner considers appropriate.

Merit Commissioner

Maureen Baird, QC

Authority

Public Service Act, Ministry of Finance

Profile

The Merit Commissioner provides oversight and insight into the conduct of merit-based hiring in the BC Public Service.

Term

The Commissioner is appointed for three years and may be reappointed for a further three years.

Term Expiry

January 13, 2023.

Budget and Staff

For 2019/20 the Office of the Merit Commissioner's budget was \$1.365 million. There are 4 full-time and two part-time employees.

Remuneration, Pension and Expenses

The salary of the Commissioner is specified in the appointment by the Lieutenant Governor in Council and is set at \$610 for each full day of work up to a maximum of \$79,910 in a calendar year. The legislation provides for reimbursement for travelling and out of pocket expenses. The legislation does not mention a pension plan.

Mandate

The Commissioner has responsibility for oversight which includes examining the extent to which the merit principle is being applied to public service hiring and promotions, whether there is compliance with the *Public Service Act* and related policies and, if not, what remedies exist to address non-compliance. Responsibility for oversight ensures decision-makers are provided with an independent assessment of appointment practices, policies, and results.

Ombudsperson

Jay Chalke, QC

Authority

Ombudsperson Act, Ministry of Attorney General
Public Interest Disclosure Act, Ministry of Attorney General

Profile

The Ombudsperson generally oversees the administrative actions of provincial and local government authorities. Thorough, impartial and independent investigations of complaints are conducted and possible resolutions of complaints are presented.

Term

The Ombudsperson is appointed for six years and may be reappointed for additional 6-year terms.

Term Expiry

July 1, 2021.

Budget and Staff

For 2019/20 the budget for the Office of the Ombudsperson was \$8.873 million. There are approximately 61 FTEs.

Remuneration, Pension and Expenses

The salary of the Ombudsperson is equal to the Chief Judge of the Provincial Court of British Columbia and the legislation provides for reimbursement for travelling and out of pocket expenses. The legislation also provides that the Public Section Pension Plan applies to the Ombudsperson.

Mandate

The office oversees more than 1,500 provincial, regional and local public sector organizations.

Under the *Ombudsperson Act*, the office:

- Assesses and responds to enquiries and complaints from the public;
- Conducts thorough, impartial and independent investigations;
- Resolves complaints and recommends improvements to policies, procedures and practices;
- Educates citizens and public organizations about how to be fair in the delivery of services; and
- Reports publicly to bring attention to issues that impact the public.

Under BC's new whistleblower protection law (the *Public Interest Disclosure Act*) the Office investigates allegations of wrongdoing and reprisal brought forward by current and former provincial government employees.

Police Complaint Commissioner

Clayton Pecknold

Authority

Police Act, Ministry of Attorney General

Profile

The Office of the Police Complaint Commissioner (OPCC) is a civilian, independent office of the Legislature which oversees and monitors complaints and investigations involving municipal police in British Columbia and is responsible for the administration of discipline and proceedings under the *Police Act*.

Term

The Police Complaint Commissioner is appointed for five years and may be appointed for a second term of up to five years as specified in the reappointment.

Term Expiry

February 14, 2024.

Budget and Staff

For 2019/20 the budget for the Office of the Police Complaint Commissioner was \$3.822 million. There are 20 employees in addition to the Commissioner.

Remuneration, Pension and Expenses

The salary of the Commissioner is equal to the Chief Judge of the Provincial Court of British Columbia and the legislation provides for reimbursement for travelling and out of pocket expenses. The legislation also provides that the Public Section Pension Plan applies to the Commissioner.

Mandate

The Office of the Police Complaint Commissioner (the OPCC) performs an active oversight function by determining the admissibility of complaints received from the public, initiating investigations and, when appropriate, referring matters for adjudicative review. The OPCC ensures that investigations by police agencies under the *Police Act* are thorough and professional and are undertaken with impartiality and fairness to all parties involved. The OPCC maintains records of all police complaints and *Police Act* investigations involving municipal police officers and the investigation outcomes. The office compiles statistical information and reports regularly to the public about these complaints and investigations.

The Police Complaint Commissioner (the Commissioner) is responsible for advising, informing and assisting all parties involved in the complaint process; this includes complainants, police officers, Discipline Authorities, police boards and adjudicators appointed under the *Police Act*.

Representative for Children and Youth

Dr. Jennifer Charlesworth

Authority

Representative for Children and Youth Act, Ministry of Attorney General

Profile

The Representative's role is to:

- Advocate on behalf of children, youth and young adults to improve their understanding of and access to designated services;
- Monitor, review, audit and publicly report on designated services for children and youth;
- Conduct independent reviews and investigations into the critical injuries or deaths of children receiving reviewable services.

Term

The representative is appointed for 5 years and may be reappointed for a further five years.

Term Expiry

September 30, 2023.

Budget and Staff

For 2019/20 the budget for the Office of the Representative for Children and Youth was \$9.75 million. There are approximately 61 FTEs.

Remuneration, Pension and Expenses

The salary of the Representative is equal to the Chief Judge of the Provincial Court of British Columbia and the legislation provides for reimbursement for travelling and out of pocket expenses. The legislation also provides that the Public Section Pension Plan applies to the Representative.

Mandate

The mandate of the Representative for Children and Youth is to improve services and outcomes for children in B.C. through advocacy, accountability and review.

Advocacy: The Representative advocates on behalf of children and youth to ensure services meet their needs. The Representative also advocates for improvements to the system of services for children, youth and their families. It is the responsibility of the Representative to initiate reviews and investigate

government agencies that provide services to children in B.C.

Accountability: The Representative independently reviews and investigates deaths and critical injuries of children and youth receiving services, with an emphasis on preventing children and youth from being harmed in any way. The Representative also has the power to release reports that are independent of government approval and that uniquely focus on the child welfare system.

Review: The Representative holds the system of care to account by conducting independent audits, and monitoring and reviewing government services. The Representative has the power to investigate a child's critical injury or death.

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F. Statutory Decision-Makers

STATUTORY DECISION-MAKERS

Introduction

The resolution of disputes involving government laws and how they are applied is called administrative law.

Statutory decision-makers (SDMs), also frequently referred to as “administrative law decision-makers”, are a critical component of the civil justice system. SDMs make hundreds of decisions in individual circumstances about:

- licences, permits and benefits;
- compliance with regulations; and
- conduct of members of self-governing professions.

Many SDMs also have the authority to impose penalties.

The courts could not make all these decisions, nor would it be an appropriate use of resources for them to do so.

SDMs do not possess the same level of independence as the judiciary, and may be mandated to implement government policies. But like the courts, SDMs must make their decisions fairly and in accordance with the law. For this reason, and also because these decisions can have significant impacts on the affected individuals and businesses, it is important that the affected persons not only understand *why* a particular decision was made, but can also accept the decision as fairly made, even if they do not agree with the outcome.

Statutory/Administrative Decision-making Bodies and Government

There are many types of statutory decision-making bodies in BC including:

- tribunals;
- boards;
- agencies; and
- commissions.

In addition, there are regulatory branches of government that administer policy, programs, and enforcement in areas such as liquor control and licensing, gaming, the financial services industry, and residential tenancies. Employees of these offices are also decision-makers subject to the rule of law, including the rules of procedural fairness described below.

The number of administrative decision-making bodies in British Columbia varies over time, as the executive branch of government chooses to expand or contract the scope of its statutory delegation of authority. For a list of administrative decision-making bodies, see the BC Directory of Administrative Tribunals & Agencies at <https://www.adminlawbc.ca/tribunals>.

Most decision-making bodies report to the Legislature, and thus the public, through a government ministry. For example, the Property Assessment Appeal Board, which deals with parties who wish to appeal their property assessments, reports to the legislature through the Ministry of Attorney General. The responsible Minister and ministry are called the decision-making body's "host ministry".

A decision-making body is governed by:

- its enabling legislation (Act and Regulations);
- in BC, the *Administrative Tribunals Act*, a procedural statute of general application for specified decision-making bodies;
- rules enacted by the decision-making body in accordance with its enabling legislation; and
- the common-law requirements of procedural fairness.

Procedural fairness refers to the principles that govern the processes to be followed by administrative decision-makers. They have been described as "fair play in action". There are four fundamental principles:

- a person has the right to be heard before a decision affecting their interests is made;
- a person has the right to an impartial decision-maker;
- the person who hears the issue must decide it; and
- the decision-maker must provide reasons for the decision.

Decisions of SDMs may be subject to review, appeal, or reconsideration, and ultimately will always be subject to judicial review by the courts.

Independence of Decision-making Bodies and Decision-makers

SDMs are expected to ensure that they are not improperly influenced in their decision-making by other members of the body, the government, or external sources. Both decision-making bodies and individual members must have the independence within their statutory framework to decide each case on the basis of the relevant evidence and on its merits. In order to protect independence, there must be safeguards against various institutional pressures, including those resulting from the relationship with a decision-making body's host ministry.

[Source material excerpted from: *BC Administrative Decision-maker's Manual*, B.C. Council of Administrative Tribunals, May 1, 2016]