

**Ministry of Technology, Innovation and Citizens' Services**

**MINISTER'S BRIEFING BINDER  
JUNE 13, 2017**

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## MINISTRY PROFILE

**Ministry:** Technology, Innovation and Citizens' Services

### Ministry Mandate:

The mandate of the Ministry of Technology, Innovation and Citizens' Services (the Ministry) is to grow British Columbia's technology sector, champion innovation, and enable the delivery of cost-effective, accessible and responsive services. Businesses are supported to make it easier for them to work with government, and to make the province a destination for the technology sector and innovation. Citizens have easier access to services and information, while ensuring their privacy is protected and their identity information is secured.

The Ministry ensures services meet the changing needs of its public sector clients while ensuring they are cost-effective, accessible and responsive. The Ministry leverages strategic vendor relationships and contracts so that the public sector – as a whole – can innovate and meet the changing needs of the public.

The Minister oversees the Knowledge Network Corporation, which delivers quality educational programming that is relevant and accessible to all citizens. The Minister also oversees the BC Innovation Council (BCIC), the province's lead agency for accelerating the commercialization of technology and advancing entrepreneurship with partners located in all regions of the province.

### Budget:

Core Business Area	2016/17 Restated (Estimates)	2017/18 (Estimates)
Operating Expenses (\$000)		
Services to Citizens and Businesses	18,044	18,381
Office of the Chief Information Officer	9,959	50,030
Logistics and Business Services	2,843	3,175
Real Property	281,105	296,179
Technology Solutions	145,297	145,566
Innovation and Technology	3,252	3,260
Transfers to Crown Corporations and Agencies	12,350	28,149
Executive and Support Services	19,147	19,273
<b>Total</b>	<b>491,997</b>	<b>564,013</b>

The Ministry's operating budget for 2017/18 has been tabled at \$564.013 million, up approximately \$72.016 million or 15% from the restated 2016/17 budget of \$491.997 million.

The funding increases support:

- \$40 million for the Connecting British Columbia program to further extend high-speed Internet across to rural and remote B.C. communities and bring higher speeds to communities to support their economic growth.



- \$15.5 million for the BC Innovation Council to support initiatives within the BC Tech Strategy.
- \$15 million to address maintenance of existing real estate portfolio and for the Okanagan Correctional Centre.
- A net increase of \$1.378 million in salary and benefits primarily in support of the Economic Stability Mandate for our hard working public servants.

### Capital

Ministry Capital Expenditures	2016/17 Restated (Estimates)	2017/18 (Estimates)
Office of the Chief Information Officer	55,339	93,130
Logistics and Business Services	-	317
Real Property	133,752	184,622
Technology Solutions	15,558	11,644
Executive and Support Services	10	10
<b>Total</b>	<b>204,659</b>	<b>289,723</b>

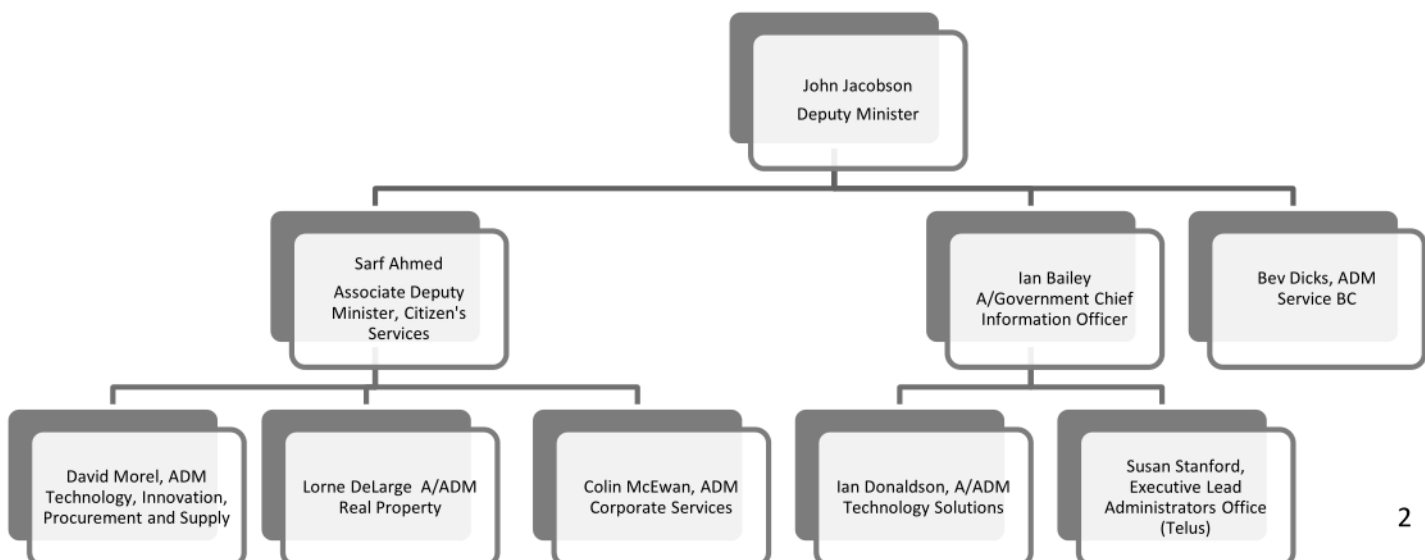
The Ministry's capital budget for 2017/18 is \$289.7 million, which is a net increase of 42%, or \$85 million, compared to the 2016/17 restated budget.

- The ministry's capital budget includes a \$45 million increase that will be invested into government's IT infrastructure.
- Budget 2017 allocates funding for priority capital infrastructure that is either currently under construction or at the stage of development that requires investment. Examples include construction of the new Abbotsford Courthouse and Surrey Courthouse expansion.

### Full Time Equivalents (FTEs):

The ministry represents a workforce of approximately 1400 trusted professionals working in 64 communities, with approximately 20 percent of those professionals working outside of the Capital Region. Maintaining a complement of skilled staff across divisions is essential to delivering expected standards of service to government and citizens as so much of the roles within the ministry are operational.

### Executive Organizational Chart:



## EXECUTIVE MEMBER BIOGRAPHY



**John Jacobson**  
**Deputy Minister**

John Jacobson was appointed Deputy Minister, Ministry of Technology, Innovation and Citizens' Services, Province of B.C., on June 10, 2013. He comes to government from the BC Innovation Council (BCIC) where he held the position of President and CEO.

Since joining government in 2013, John was instrumental in enabling the government to quickly connect with and develop an economic development strategy for the fast-growing and vibrant BC Tech industry. John's knowledge of the technology industry's culture and growth drivers has guided MTICS and other ministries in the development of two editions of the #BC Tech Strategy and two highly successful #BCTech Summits. Industry and other stakeholder groups have been enthusiastic in their response to the #BC Tech Strategy and applauded the government's progress on implementation.

John's knowledge of the tech industry in BC and his relationships with key players are a result of his nearly thirty years as an entrepreneur and technology executive operating in BC. He got his start as an entrepreneur as the co-founder of a manufacturing company in North Vancouver in 1979. From that beginning, he built a successful track record of working with investors and leading talented management teams to identify new business opportunities and launch winning technology products into fiercely competitive global markets.

Prior to joining BCIC in 2012, John was President and Chief Executive Officer of Monexa Technologies Inc. (since acquired by Oracle Corporation), where he transformed a small internet service provider into a leader in SaaS billing and payment services. Before Monexa, John held leadership roles at Offshore Systems International (OSI Geospatial), MacDonald Dettwiler and Associates and PSC Group. John has a BSc. and an MBA, both from the University of British Columbia.

## EXECUTIVE MEMBER BIOGRAPHY



**Sarf Ahmed**  
**Associate Deputy Minister, Citizens' Services**

Sarf was appointed Associate Deputy Minister in June 2013. He provides overall leadership to Real Property, Corporate Services, and Procurement and Supply Services functions in the ministry. The Strategic Partnership Office which provides oversight and support for Province's major outsourcing contracts is also part of his portfolio since 2016. He is on the Deputy Minister's Council, and various Deputy Committees and project boards for major projects.

Sarf is also the executive sponsor for the BC Public Service's leading workplace strategies initiative for mobile work. Over 20 projects have been completed since 2012 with multiple ministries resulting in better workplaces for public servants, reduced green house gases and real estate footprint. Some of these projects have won IPAC and Premier's Awards.

Sarf joined the ministry in May 2010 as ADM for the Real Property Division (RPD).

Prior to joining MTICS, Sarf was the ADM and Executive Financial Officer for the Ministry of Children and Family Development since 2005 responsible for corporate functions of the ministry. Additionally, in 2009, he was given responsibilities to oversee the delivery of Child Care Services and Provincial services for Children and Youth with Special Needs.

He has extensive experience in public administration, project governance, financial management, procurement and program delivery.

Sarf joined the BC Public Service in 1992. He is a Chartered Accountant, who has also worked in the accounting profession, construction and manufacturing sectors in the early part of his career.

As a career public servant, Sarf strongly believes in making a difference in the lives of British Columbians and volunteered to be the Honorary Chair for Public Employees Community Services Fund for 2016 raising a record \$1.8 million for charitable work.

He is a recipient of the Queen's Golden Jubilee medal s.22

## EXECUTIVE MEMBER BIOGRAPHY

### **Recruitment is underway for a new Government Chief Information Officer (GCIO).**

Service BC is the government's leader in citizen centred service delivery, and provider of general advice and transactional services to citizens and businesses.

The Office of the Chief Information Officer leads strategy, policy and standards for information technology, IT security and the management of the IM/IT investment portfolio for the Province. The OCIO is accountable for the operation of a broad government technology infrastructure as a key enabler in support of business transformation for the BC Public Sector.

## EXECUTIVE MEMBER BIOGRAPHY



**Colin McEwan**

**Assistant Deputy Minister and Executive Financial Officer, Corporate Services**

Colin joined the BC Government as Assistant Deputy Minister and Executive Financial Officer in February, 2014. Prior to this appointment, Colin worked in a variety of senior executive roles across the country within the Federal Government, spanning almost 30 years.

While working with Indian and Northern Affairs Canada, Colin spent almost 10 years in the NWT, where he had the rare opportunity to participate in the creation of a new territory (Nunavut), as well as the birth of a new industry (Diamond Mining). He then moved to Transport Canada where he developed their digital service delivery strategy and created an entrepreneurial project office as part of the Government Online initiative. Following the completion of that project, Colin was appointed to Executive Director IT/IM with Communications Security Establishment Canada (CSEC) where he was responsible for CSEC's vast and highly classified IT infrastructure, both domestically and internationally. While there, he led a major project for the complete renewal of CSEC's infrastructure and a rethink of the management of IT operations. The project culminated in one of Canada's largest public/private partnerships. Colin then spent two years on an executive interchange with the Canada School of Public Service where he developed and taught executive and leadership development courses. After this assignment, he was appointed to Director General, Corporate Services with Defence Research and Development Canada where he implemented a shared services model and worked closely with the CEO to completely transform the Agency's business model.

Colin has been awarded the Public Service Award of Excellence, several GTEC innovation awards and a Public Sector Leadership award s.22

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Colin is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from Royal Roads University, a Graduate Diploma in Electronic Commerce from Dalhousie University, and a Master of Science in Management from HEC Paris and University of Oxford's Said Business School.

## EXECUTIVE MEMBER BIOGRAPHY



**Lorne DeLarge**

**Acting Assistant Deputy Minister, Real Property Division**

Lorne was appointed the A/ADM in November 2016. He has diverse experience in the private and public sector in senior leadership roles including volunteer roles in the community. Most recently, he has worked with the Real Property Division for the past five years, initially as the Executive Director (ED) of Client Services and then as the ED of Accommodation Management. Some of the branch's notable achievements include Premier's and IPAC awards for successful implementation of 22 LWS projects and generating significant savings through lease negotiations, lease administration, furniture redeployment and space efficiency activities. Previous to this Lorne was an ED with the BC Public Service Agency for several years. Prior to joining government in 2008 he was a Vice President of Marketing in the credit union system for several west coast based companies. His experience includes, finance, marketing, strategic communications and real estate.

Lorne holds a Masters of Business Administration, a degree in economics and political science and holds the Chartered Investment Manager (CIM) designation.

In Lorne's volunteer life he has held the positions of President of the Union Club of BC, Vice President of the Victoria Chamber of Commerce, Chair of the Canada Day Fireworks Celebration, Chair of the Royal Roads Foundation, Chair of Pacific Coast Savings Foundation and is currently the Vice President of the Royal & McPherson Theatre Society.

## EXECUTIVE MEMBER BIOGRAPHY



**David Morel**

**Assistant Deputy Minister, Technology, Innovation, Procurement and Supply**

David Morel became ADM of Strategic Initiatives and Partnerships Division on January 18, 2016. The Division merged with the Logistics and Business Services Division in April 2016 and was renamed Technology, Innovation, Procurement and Supply.

David has been in the BC public service since 1991, working in a number of government agencies including the Public Sector Employers' Council, Ministry of Health, Ministry of Forests, Intergovernmental Relations Secretariat, and the Ministry of Employment and Investment.

Prior to joining MTICS, David was ADM for the Mines and Mineral Resources Division where he has developed and implemented the provincial mining strategy that has successfully led to the opening and expansion of mines in BC. His background is in economics, attending Carleton University and the University of Toronto.

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## EXECUTIVE MEMBER BIOGRAPHY



**Beverly Dicks**  
**Assistant Deputy Minister, Service BC**

Bev has worked in the Social Sector for over 30 years. She started her career as a generalist social worker in 1983 in her home province of Newfoundland prior to moving to Northwest BC in 1988 to join the Ministry for Children and Family Development. After fulfilling a number of leadership roles in Regional Operations, she was appointed ADM for service delivery at MCFD in 2009. In 2013, she transitioned from operations to ADM, MCFD Strategic Priorities, and the Provincial Office of Domestic Violence.

She continued to build on her senior leadership experience in 2016 when she took on the role of Assistant Deputy Minister for Service BC Division. Her strategic and service delivery background, her relationship-based approach to leadership and sector partnerships, and her extensive Provincial cross-ministry work are valued assets in this role.

Service BC Division is government's leader in citizen-centred service delivery, providing on-line, telephone, and in-person services to citizens and businesses across BC. In her current role, Bev is the co-chair of the ADM cross-government Service Delivery Board, co-chair of MTICS Article 29 Committee, and a member of the Federal/Provincial/Territorial Public Sector Service Delivery Council.

Bev is known for her energy, passion and enthusiasm for her work. She is described as a transformative change leader who is authentic, motivational, and collaborative. Bev demonstrates her belief in the value of inclusion and engagement by integrating the voice of staff, partners and stakeholders in her leadership approach. She is committed to ensuring that change within the system should only be championed if the anticipated result is better outcomes for the citizens of BC.

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## EXECUTIVE MEMBER BIOGRAPHY



**Susan Stanford**

**Executive Lead**

**Network BC and the Telecommunications Deal Office, Office of the Chief Information Officer**

Susan Stanford is the Executive Lead of the Network BC and the Telecommunications Deal Office within the Office of the Chief Information Officer (OCIO). In her role, Susan is responsible for policy and programs to meet the provincial connectivity goals as part of the

Rural Economic Development strategy. In addition, she leads a strategic \$1-billion telecommunications deal with TELUS, a \$110-million Strategic Investment Fund for innovative digital service development, and joint strategic telecommunications initiatives across the broader public sector. Prior to taking on this role, Susan provided leadership on the development and launch of the BCTech Strategy that promotes economic development through commercialization and the growth of BC's high tech sector.

Prior to joining the BC Government and the OCIO, Susan held several senior executive and leadership roles in both the private and public sector based out of Ottawa, Ontario. With 20-years of experience prior to joining the BC Government, Susan has led diverse teams and programs in multiple industries from working with technology start-ups, to managing digital service development in a multi-billion dollar Crown, to leading federal government program development to support Canada's tech sector.

For example, as Director Strategy at Canada Post, s.22  
s.22

From the development of digital applications, to spinning a new company out of Bell Canada, to leading market intelligence for a global equipment manufacturer, Susan has a diverse and portable skill set for program and service development.

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Susan holds a Masters degree in Leadership from Royal Roads University, an executive MBA from Athabasca University and a Bachelor degree from Carleton University.

## EXECUTIVE MEMBER BIOGRAPHY



**Ian Bailey**

**Assistant Deputy Minister and Acting Government Chief Information Officer**

Ian Bailey was appointed as the Acting Government Chief Information Officer on June 5, 2017. His current responsibilities include executive oversight of the Office of the Chief Information Officer and Technology Solutions.

The Office of the Chief Information Officer leads strategy, policy and standards for information technology, IT security and the management of the IM/IT investment portfolio for the Province. The OCIO is accountable for the operation of a broad government technology infrastructure as a key enabler in support of business transformation for the BC Public Sector.

Technology Solutions provides the cost-effective management and supply of IM/IT services such as data and voice networks, workstations and mobile devices, messaging and collaboration services, information security, identity management, data centre and application hosting, and enterprise architecture and standards. These services are essential for providing mission-critical supports to clients as they deliver business solutions to ministries and citizens.

Ian Bailey was appointed Assistant Deputy Minister of Technology Solutions on November 22, 2013. He has 28 years of experience in Information Management and Information Technology. He joined the BC Government in 1993 and was the Chief Technology Officer prior to this appointment.

Ian has worked on a number of key initiatives in the Office of the Government Chief Information Officer and Shared Services BC, including development of the Pan-Canadian Identity Management Strategy and the BC Services Card solution for the Province.

After graduating from the University of Victoria with a degree in Computer Science, Ian spent 10 s.22 designing submarine detection systems and ultrasonic inspection technology for the Department of National Defense, and healthcare solutions for the Province of British Columbia.

## EXECUTIVE MEMBER BIOGRAPHY



**Ian Donaldson**

**Acting Assistant Deputy Minister Technology Solutions**

Ian Donaldson was appointed Acting Assistant Deputy Minister of Technology Solutions on June 5, 2017. He has over 30 years of experience in Information Management and Information Technology. He joined the BC Government in 1992 holding various positions in Ministries and Crown Corporations and recently was the Executive Director of Hosting Services prior to this appointment.

As the ADM Technology Solutions, Ian is responsible for the provision and operation of all IT Shared Services for ministries and some broader public service organizations. This includes desktops, laptops, phones, data centres and servers, data and voice networks, and office productivity tools such as email, video and audio conferencing, and corporate software. In addition, Ian is responsible for Information Security, Enterprise Architecture, and Information Technology Standards for the BC Government.

Ian has worked on a number of key initiatives in the Office of the Government Chief Information Officer, including transformation of the province's Hosting Services, Data Centre Network Optimization, and the introduction of Managed Print Services.

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Where ideas work

**Ministry of Technology, Innovation and Citizens' Services  
Government Chief Information Officer – Victoria, BC**

**Executive career opportunity**

**Consider a leadership role with the Province of British Columbia – join an award winning team committed to visionary thinking and innovative solutions**

The Ministry of Technology, Innovation and Citizens' Services mandate is to grow BC's technology sector; champion innovation; and enable the delivery of accessible, cost-effective services. The mission of the Office of the Government Chief Information Officer (GCIO) is to modernize services for all British Columbians.

The GCIO is a proven leader in IT business transformation and a visionary in organizational change. This position will lead the development of information technology talent within the BC Public Service and establish the direction for government's IT transformation to support citizen's needs and government's business objectives. The accountabilities for this role include championing innovative technology, building vital collaborative connections in the technology industry, and ensuring organizational development aligns with strategic organizational objectives.

The Government Chief Information Officer is a technology trail blazer with a background in successful organizational change management. They have the expertise necessary to translate transformational vision to goals and strategies, and support this change through effective leadership and strong sector relationships. A strong understanding of the challenges inherent in organizational digital transformation is key to this role.

The **BC Public Service** has approximately 26,000 employees, 20 Ministries and 200 different roles in every geographical region of the province. We provide a progressive, professional work environment balanced with a lifestyle that encompasses and endorses diversity, health and career growth.

A detailed role description and complete listing of qualifications is below. An equivalent combination of education and experience may be considered.

To express your interest in this opportunity, please submit your cover letter and resume to [Executive.Recruitment@gov.bc.ca](mailto:Executive.Recruitment@gov.bc.ca) by May 19<sup>th</sup>, 2017. The appointee will be required to consent to a criminal record check. Thank you to all who express interest.

## **Role Profile**

### **Ministry of Technology, Innovation and Citizens' Services Government Chief Information Officer Province of British Columbia**

#### **The Opportunity**

The Province of British Columbia is looking for a bold, visionary individual to lead a digital transformation that will improve and modernize how we use technology to meet the current and future needs of our citizens. This means improved service experiences, operational efficiencies and value for the citizens of BC.

The Government Chief Information Officer (GCIO) leads IT capital investment across core government operations ensuring critical business systems are maintained while introducing innovative improvements designed to meet citizens' expectations and government's business priorities.

Beyond core government operations, the GCIO has a role in strategic planning and joint procurement with the broader public sector. Taken together, the GCIO is a thought leader with the operational reach to deliver innovative change across the public sector.

The GCIO requires an individual with visionary leadership combined with a focus on operational excellence. The GCIO must unite government's strategic objectives with a pragmatic understanding of the art of the possible in digital transformation. Both strategic and tactical, the GCIO will consistently assess new digital technologies designed to improve citizen service delivery and where appropriate, lead their efficient adoption across the public service.

The GCIO must ensure the stability of legacy systems and reduce technical debt, while moving towards digital government by taking advantage of new and scalable technology capabilities.

The GCIO must lead the development of information technology talent across the public service to develop the skills, capabilities and capacities required to operate a digital government today and into the future and continue to foster a culture of innovation inside the BC public service and public sector.

1. Establish a digital strategy for the delivery of government services to citizens at home and on the move and lead its implementation.
2. Recruit new technology talent into the Government of BC as you develop a high performing, collaborative, digital services team.

3. Promote enabling concepts that help Ministries use technology to improve service experiences including data literacy, agile development and user-focused service design.
4. Optimize the investment in technology to deliver secure, stable systems with the capacity to incorporate change over time as the needs of BC citizens evolve.
5. Act as a champion for innovative technology solutions that improve client service, operational effectiveness and financial impact.

## **Corporate Background**

The Province of British Columbia is a recognized leader among public sector organizations in business and technology innovation with a track record of being willing to take new approaches to transforming services for our citizens

With a public service of 26,000 and a provincial population in excess of 4.7 million citizens, BC is right sized – big enough to allow for a sophisticated approach to innovation but not so large as to make change unmanageable.

The BC government is committed to modern service delivery strategies that meet current and future citizens' needs. Our proven track record includes delivering strategies at the forefront of public service innovation. These include open government, a continuous service innovation lab, the BC developers' exchange, and identity management services to name a few. But there is more to be done. Citizens expect government services to be efficient, easy to use, platform agnostic and consistent across program areas and the provincial government is committed to meeting citizen's expectations.

The Ministry of Technology, Innovation and Citizens' Services performs a dynamic role in government to support businesses, citizens, government ministries and broader public sector organizations. The ministry's mandate is to grow British Columbia's technology sector; champion innovation; and enable the delivery of cost-effective, accessible and responsive services.

*Reference: Ministry Service Plan*

The mission of the Office of the Government Chief Information Officer (GCIO) is to modernize the BC Government's services and workplaces to benefit all British Columbians. Four overarching goals set the direction of the GCIO:

1. *Enable Digital* – citizens can access government information and services at the click of a button – anytime, anywhere, and from any device.
2. *Engaged Workforce* – an engaged, high-performing, collaborative workforce with the skills and tools needed to deliver on government's priorities.
3. *Operational Excellence* – ministries can focus on delivering quality services, because the underlying technology and operations they rely on are secure, stable and adaptable to change.
4. *Maximize Value* – Government meets citizens' diverse and every-changing digital needs by optimizing investment in technology.

In addition, the GCIO has the following accountabilities:

- Sets the vision, goals and direction for government's information technology transformation to support citizens' needs and government's strategic and business objectives;
- Champions innovative technology solutions to resolve business problems;
- As an experienced innovator, interpret and influence government's strategy while leading execution of government's digital transformation.
- Build relationships across the full range of the technology industry built on a deep knowledge of global leading practice and a nuanced understanding of BC's technology ecosystem.
- Ensures the effective operation and management of enterprise IT infrastructure services and corporate applications, including hosting, device management, identity authentication, security, network, telecommunications, architecture and standards. Ensures oversight of multiple alternative service delivery and outsourcing agreements;
- Ensures organizational resources and talent are sufficient to meet business requirements. Ensure staff development of critical competencies is in line with strategic organizational objectives.
- Ensures we build and enhance our culture of employee engagement and citizen accountability.
- Ensures sound financial management including budgeting, forecasting, managing to budget, and adhering to financial policies and directives.

Organizationally, the GCIO is currently responsible for the following operational units:

- *Office of the Government Chief Information Officer* – leadership in promoting and guiding the management of government technology as a strategic business asset, and supporting technology investment as a key enabler of digital business transformation.
- *Technology Solutions* – management and supply of corporate infrastructure including data and voice networks, workstations and mobile devices, messaging and collaboration services, information security, identity management, application hosting, and architecture and standards. Services are supplied through internal and external sourcing arrangements.

- *Strategic Telecommunications* and *NetworkBC* – oversight of province's Telecommunications Services Master Agreement, and strategic telecommunications planning.

Once on the job, the successful candidate will have an opportunity to review and identify any other operational units necessary to ensure successful delivery of the GCIO role.

GCIO Average Annual Resources:

- Operating: Gross \$240M  
Net \$156M
- Capital: \$100M
- FTEs: 360

## **Qualifications and Experience**

The ideal candidate will be a seasoned professional with a proven record of achieving results in innovative IT business transformation. A strategic and creative thinker, the candidate will have deep knowledge of digital transformation with a focus on meeting citizens' needs. The candidate will have experience leading multi-disciplinary technical teams and successfully directing large technology development efforts.

In addition, the candidate will have led organizational change management projects that demonstrate improved results for clients, citizens and other stakeholders. Substantial experience in a senior role in large complex organizations with numerous lines of business and diverse clientele will prepare you for success in this role.

A proven record of establishing goals, developing people and teams, building relationships across multiple stakeholders in the public and private sector, solving problems and providing innovative solutions, promoting accountability, engendering trust, and unquestionable integrity is required.



## Competencies

To achieve government's **Vision**, executives must position and structure their organization to maximize its effectiveness. Executives practice **Strategic Thinking** in translating the vision to goals and strategies, and support their accomplishment through facilitation and leading change.

In **Stakeholder Relationships**, executives ensure that they are enhancing the organization's relationships with external partners and stakeholders. This includes building strategic alliances, managing conflicts, negotiating effectively, and effectively communicating ideas, analyses and proposals to stakeholders.

Executives model **Integrity and Authenticity**, building a culture of trust, integrity, risk taking and creative thinking in the organization through demonstrating personal integrity, using feedback to self improve, following through on commitments and acting consistently with the espoused values and culture of the organization.

In **Leading People**, Executives must motivate, empower and lead employees to accomplish goals and objectives, rewarding high performance, promoting empowerment and developing their employees, providing opportunities for growth, and managing issues with their organization.

*Reference:*

OCIO Strategy 2016

Where Ideas Work

*The professional values of the BC Public Service . . .*  
**Courage, Teamwork, Curiosity, Service, Passion, Accountability**  
*Always with integrity*

**DEPUTY MINISTER'S OFFICE**

**Executives Responsible:** John Jacobson, Deputy Minister  
Sarf Ahmed, Associate Deputy Minister

Provision of executive leadership to the Ministry of Technology, Innovation and Citizens' Services and direction-setting to support the technology industry and enable cost effective and innovative services to citizens and clients.

Overall executive accountability for MTICS strategic and operational performance. Ensures all deliverables in the Minister's mandate letter are accomplished. Oversight of MTICS interface and co-ordination within the provincial government, with other governments and with external stakeholders.

John Jacobson holds primary responsibility for the technology and innovation file including the BCTech Strategy; work we see as critical for the further diversification of BC's economy. This core business also includes the Associate Deputy Minister, Citizens' Services Office. Sarf Ahmed oversees Real Property, Procurement and Supply Services, Strategic Partnerships Office and Corporate Services functions.

**Budget**

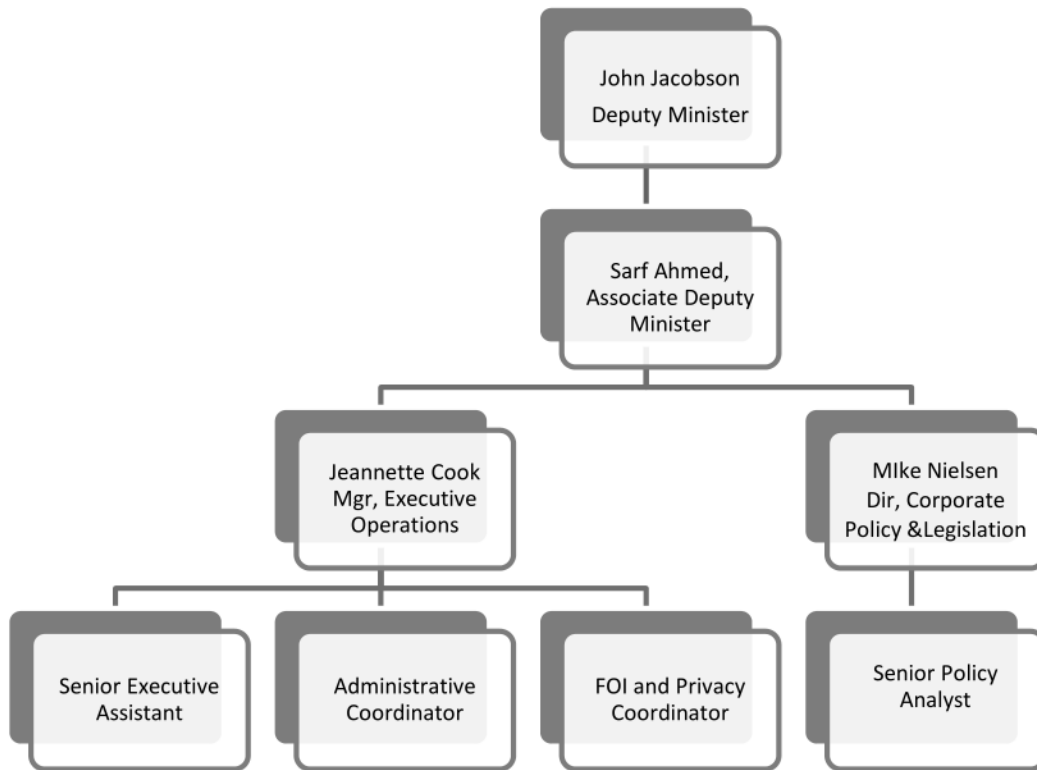
	<b>Restated 2016-17 Budget</b>	<b>2017-18 Budget</b>
Salaries and Benefits	\$0.408M	\$0.809M
Operating Costs	\$0.115M	\$0.115M
Grants	-	-
Other Expenses	\$0.016M	\$0.016M
Gross Expenditure Total	<b>\$0.539M</b>	<b>\$0.940M</b>
Total Recoveries	-	-
<b>Net Expenditures</b>	<b>\$0.539M</b>	<b>\$0.940M</b>
<b>Total Capital</b>	-	-

*Notes: Amounts above does not represents the Estimates budget for the Deputy Minister's Office, which has been adjusted to reflect Working Budget requirements.*

**Full Time Equivalents (FTEs):** 8

**Related Legislation:** None

Organizational Chart:



## OFFICE OF THE CHIEF INFORMATION OFFICER

**Assistant Deputy Minister Responsible:** Ian Bailey, Acting Government Chief Information Officer (under recruitment).

### **Core Business/ Program Area Description/Critical Business Processes:**

The mission of the Office of the Chief Information Officer (OCIO) is to modernize services for all British Columbians. It leads strategy, policy and standards for information technology, IT security and the management of the IM/IT investment portfolio for the Province. The OCIO is accountable for the operation of a broad government technology infrastructure as a key enabler in support of business transformation for Government, Broader Public Sector organizations and through participation inter-jurisdictionally on initiatives to evolve technology and business.

OCIO leads the development of information technology talent within the BC Public Service and establishes the direction for government's IT transformation to support citizen's needs and government's business objectives. Accountabilities include championing innovative technology, building vital collaborative connections in the technology industry, and ensuring organizational development aligns with strategic organizational objectives.

The OCIO is comprised of the following:

1. Technology Solutions – see separate overview (and budget) in Tab E.
2. IM/IT Capital Investment – through the direction of the IM/IT Capital Investment Board, provide lifecycle management of government's IM/IT minor capital portfolio and advice to Treasury Board on major IM/IT capital projects.
3. Strategic Planning and Policy – develop and manage the OCIO strategic plan, as an enabler of government's business transformation and strategic priorities, develop and modernize IT policy, communications including OCIO Connect and project portfolio planning oversight.
4. Telecommunications Strategy – promote and facilitate the expansion of high-speed Internet and cellular services throughout B.C. (Network BC), plan the modernization of government's telecommunications infrastructure, align and coordinate telecommunications infrastructure investments across government and the Broader Public Sector, and manage/leverage strategic telecommunications deals (e.g. Administrator's Office, TELUS Deal).

## Budget

	Restated 2016-17 Budget	2017-18 Budget
Salaries and Benefits	\$8.349M	\$8.420M
Operating Costs	\$2.295M	\$2.295M
Grants	\$0.500M	\$40.500M
Other Expenses	-	-
<b>Gross Expenditure Total</b>	<b>\$11.144M</b>	<b>\$51.215M</b>
<b>Total Recoveries</b>	<b>(\$1.185M)</b>	<b>(\$1.185M)</b>
<b>Net Expenditures</b>	<b>\$9.959M</b>	<b>\$50.030M</b>
<b>Total Capital</b>	<b>\$55.339M</b>	<b>\$93.130M</b>

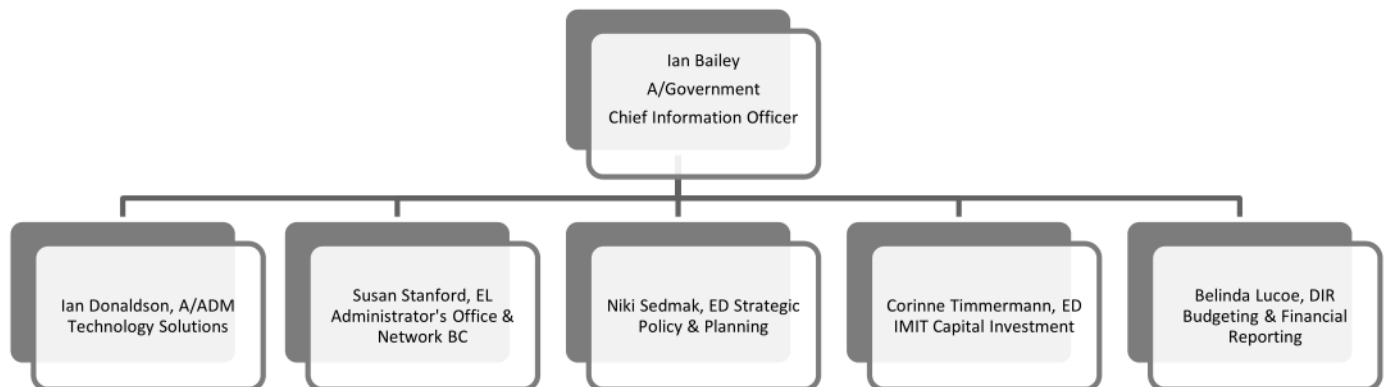
*Note: This budget allocation includes the Strategic Investment Fund (SIF).*

**Full Time Equivalents (FTEs): 44**

## Related Legislation:

*Electronic Transactions Act*

## Organizational Chart:



## TECHNOLOGY SOLUTIONS

**A/Assistant Deputy Minister:** Ian Donaldson

### Background

Technology Solutions provides the cost-effective management and supply of IM/IT services such as data and voice networks, workstations and mobile devices, messaging and collaboration services, information security, identity management, data centre and application hosting, and enterprise architecture and standards. These services are essential for providing mission-critical supports to all of core government ministries, the broader public sector and Crown Corporations as they deliver business solutions to ministries and citizens.

### Current Context

The OCIO delivers technology services through ten areas within Technology Solutions:

1. Architecture, Standards, and Planning – IM/IT standards and architecture development for government.
2. BC Developers' Exchange and DevOps - the BC Developers' Exchange is enabling ministries to work openly and in collaboration with BC's technology sector to create more opportunities for smaller businesses and entrepreneurs to contribute alongside vendors and partners. DevOps enables ministries to accelerate the development and deployment of their computer systems, and make it easier for government projects to use agile approaches and acquire modern tools.
3. Corporate Software – contract, vendor, and asset management for select enterprise software licenses and subscriptions utilized within the Province and public sector entities.
4. Device Services – contract and vendor management for mobile and desktop device services; develop policies, standards, and security and authentication guidelines to facilitate the development of government mobile apps and services.
5. Device Services Administrator's Office – Workstation Services procurement: the provisioning and management of Devices and Workplace Technology Services. Negotiated Request for Proposal (NRFP) posted to BC Bid for the provisioning and management of Devices and Workplace Technology Services. The NRFP posting closes on June 1, 2017; the final contract to be signed in March 2018.
6. Data Centre Hosting Services – contract and vendor management for data centre services, application hosting services, and managed print services.
7. Information Security – governance for information security, secure use of sensitive or personal information in the custody of government; security operations and investigations.
8. Network, Communications and Collaboration Services – voice and data network services, email and collaboration services for government and broader public sector clients.
9. Provincial Identity Information Management Program – secure authentication for public servants and citizens for online applications or services; BC Services Card.
10. Service Management – IT change, incident, and problem management; order management and reporting.

## Budget

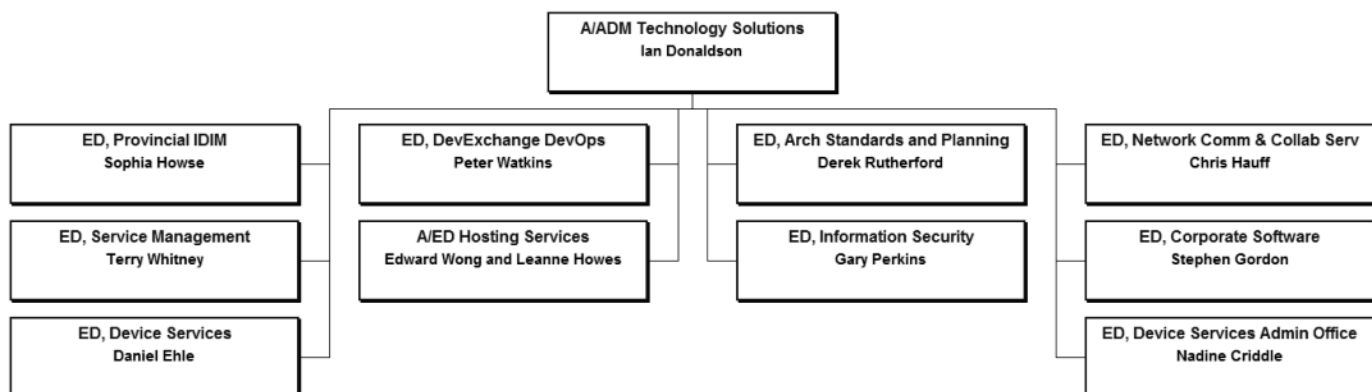
	Restated 2016-17 Budget	2017-18 Budget
Salaries and Benefits	\$32.351M	\$32.600M
Operating Costs	\$212.916M	\$212.999M
Grants	-	-
Other Expenses	\$0.306M	\$0.307M
<b>Gross Expenditure Total</b>	<b>\$245.573M</b>	<b>\$245.906M</b>
<b>Total Recoveries</b>	<b>(\$94.268M)</b>	<b>(\$94.332M)</b>
<b>Net Expenditures</b>	<b>\$151.305M</b>	<b>\$151.574M</b>
<b>Total Capital</b>	<b>\$15.558M</b>	<b>\$11.644M</b>

*Note: Amounts above reflect division responsibility and do not reflect amounts in Estimates (Blue Book). This budget allocation includes: BC Developer's Exchange and DevOps; Architecture, Standards and Planning; and Information Security reported in Estimates under the OCIO. This budget allocation also excludes the Strategic Investment Fund (SIF) as responsibility falls under the OCIO.*

**Full Time Equivalents (FTEs):** 315

**Related Legislation:** None

**Organizational Chart:**



## SERVICE BC DIVISION

**Assistant Deputy Minister Responsible:** Beverly Dicks, Assistant Deputy Minister

Service BC Division is government's leading provider of statistical and citizen- and business-centred services. The division provides direct service to internal and external customers and has Service Level Agreements with over 40 government ministries and public bodies. It supports ministries in designing new service delivery tools and processes and helps steer development and implementation of government-wide "corporate enablers" such as the corporate-wide payment system, PayBC, and MyGov, government's platform to deliver on the digital service strategy. As the public sector lead in citizen-facing service, Service BC Division is an active participant in service delivery improvement initiatives driven by citizen feedback provided to the Ministry of Small Business and Red Tape Reduction. Service BC's ADM co-chairs the cross-government Service Delivery Board, an ADM-level board focused on improvements to citizen and business service experience.

Service BC Division delivers services through four areas:

1. Strategic Support Services Branch – provides corporate services for the division including centralized information systems development and support, internal and external communications, human resource services including support for succession management, and financial operations support. Also responsible for investigating and implementing new technologies and service models to transform service delivery. Supports the Service Delivery Board.
2. Service Delivery Branch – provides over 400 different services for over 36 partner ministries and agencies ranging from accepting payments to helping citizens obtain marriage certificates, drivers licences and health insurance. This Branch has 300 staff members, 62 in-person points of service and a province-wide Contact Centre.
3. Registry and Online Services – facilitates and supports the economy of the Province through the administration and verification of business, personal property and manufactured home registrations. The OneStop business registry is a partnership with Canada Revenue Agency that supports the sharing of the Business Number with provincial partners (i.e. Corporate Registry, WorkSafeBC, Ministry of Finance etc.) BC Online is an electronic service delivery channel for access to government information, products and services. Societies Online provides the 27,000 societies across BC with a online service experience that is available 24/7.
4. BC Stats – provides statistical information and analysis on economic, social and demographic conditions of the Province to support informed decision-making and policy development. Key initiatives include research into housing affordability; analysis of the technology, creative economy and manufacturing sectors; reviewing Treasury Board submissions with an economic impact; and conducting internal to the public service surveys including the Workforce Environment survey.



**Budget**

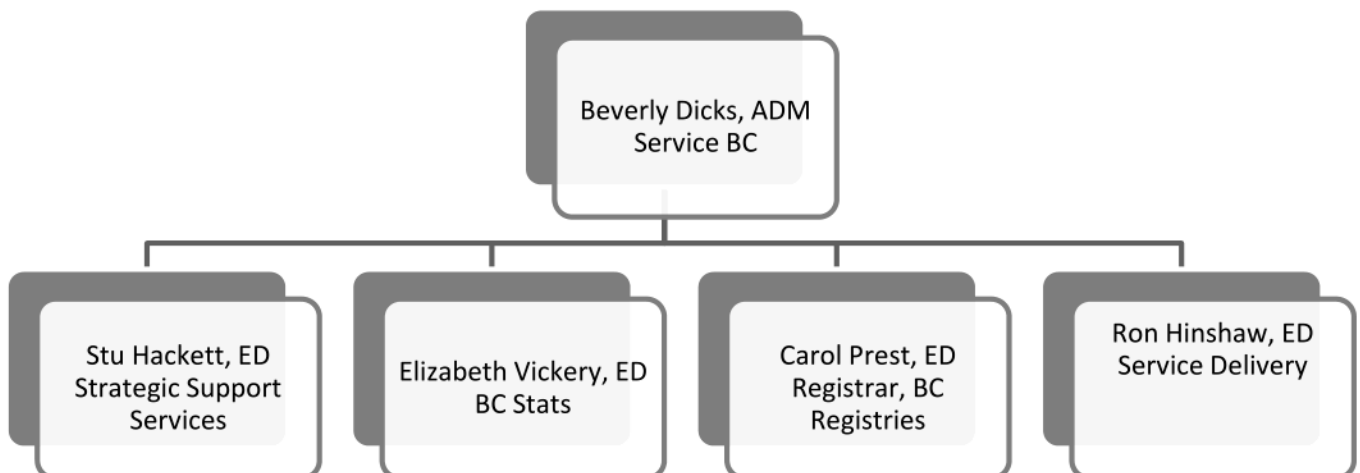
	<b>Restated 2016-17 Budget</b>	<b>2017-18 Budget</b>
Salaries and Benefits	\$26.922M	\$27.260M
Operating Costs	\$10.213M	\$10.213M
Grants	-	-
Other Expenses	\$0.904M	\$0.904M
<b>Gross Expenditure Total</b>	<b>\$38.039M</b>	<b>\$38.377M</b>
<b>Total Recoveries</b>	<b>(\$19.995M)</b>	<b>(\$19.996M)</b>
<b>Net Expenditures</b>	<b>\$18.044M</b>	<b>\$18.381M</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>

Full Time Equivalents (FTEs): 387

**Related Legislation:**

*Business Corporations Act*  
*Cooperative Association Act*  
*Miscellaneous Registrations Act, 1992*  
*Personal Property Security Act*  
*Societies Act*  
*Statistics Act*

*Business Number Act*  
*Manufactured Home Act*  
*Partnership Act*  
*Repairers Lien Act*  
*BC Online Act*

**Organizational Chart:**

Service BC Locations:



## TECHNOLOGY, INNOVATION, PROCUREMENT AND SUPPLY

**Assistant Deputy Minister Responsible:** David Morel

The Division plays a leadership role in the development and implementation of policies and programs to support the growth of BC's tech strategy, the management of all outsourced contracts, procurement services and supply services.

The Divisions consists of five key areas:

1. The Strategic Partnerships Office – provides strategic oversight, leadership, guidance and support to the management and procurement of Alternative Service Delivery (ASD) contracts, ensuring that effective due diligence and best practices are exercised throughout the deal lifecycle; including performance management, knowledge management, and capacity building.
2. Technology and Innovation – coordinates and supports research and commercialization across the Province, and enables information sharing between the province, industry, federal and other jurisdictions. Also responsible for establishing and coordinating the strategic direction and provides oversight to the development, implementation and evaluation of policies and programs that support BC Tech sector. In addition, with Columbia Innovation Council organizes, the annual Tech Summit
3. Procurement Services – provides strategic and operational procurement and contracting advice, guidance and support to all ministries and government executive to ensure legislation, policies, and corporate values of fairness and transparency are followed. Services are BC Bid, Enterprise-Wide Sourcing Solutions, Professional Advisory Services, and IT Procurement.
4. Strategic Business and Procurement Transformation – delivers projects designed to maximize value to citizens through government procurement including replacement of BC Bid with robust modern technology, management of the Procurement Community of Practice, and the implementation of tools and templates to support the procurement lifecycle.
5. Supply Services – consists of five full cost recovery business units that serve the provincial government as well as the broader public sector and citizens: Asset Investment Recovery, BC Mail Plus, Distribution Centre Victoria, Product Distribution Centre Vancouver and Queen's Printer.

**Budget**

	<b>Restated 2016-17 Budget</b>	<b>2017-18 Budget</b>
Salaries and Benefits	\$27.494M	\$27.834M
Operating Costs	\$18.973M	\$18.973M
Grants	\$7.205M	\$22.705M
Other Expenses	\$71.019M	\$75.519M
<b>Gross Expenditure Total</b>	<b>\$124.691M</b>	<b>\$145.031M</b>
<b>Total Recoveries</b>	<b>(\$112.506M)</b>	<b>(\$117.006M)</b>
<b>Net Expenditures</b>	<b>\$12.185M</b>	<b>\$28.025M</b>
<b>Total Capital</b>	<b>-</b>	<b>\$0.317M</b>

*Note: Budget allocation above includes the following sub-sub votes:*

<i>\$ millions</i>	<i>Restated 2016-17 Budget</i>	<i>2017-18 Budget</i>
<i>Logistics and Business Services</i>	<i>2.843</i>	<i>3.175</i>
<i>Innovation and Technology</i>	<i>3.252</i>	<i>3.26</i>
<i>Transfers to Crowns - BC Innovation Council</i>	<i>6.09</i>	<i>21.59</i>
	<i>12.185</i>	<i>28.025</i>

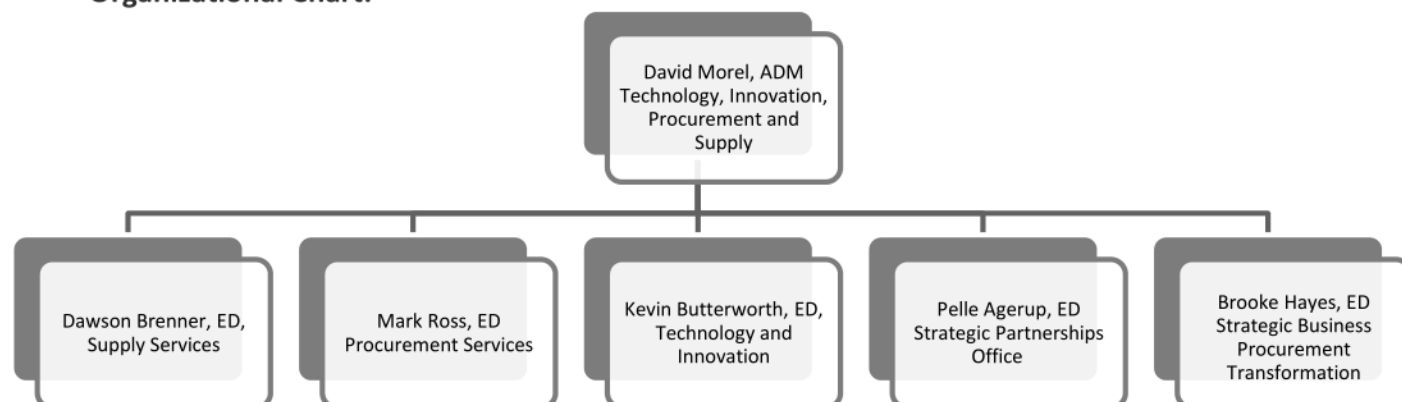
**Full Time Equivalents (FTEs): 376**

**Related Legislation:**

*Queen's Printer Act*

*Procurement Services Act*

*BC Innovation Council Act*

**Organizational Chart:**

## REAL PROPERTY

**Acting Assistant Deputy Minister Responsible:** Lorne DeLarge

The Real Property Division (RPD) provides everything needed to design, set up and manage a government workplace. It is also responsible for the Province's real estate portfolio (excluding schools, post-secondary, and hospitals), office space inventory, parking, related legislation, furniture procurement, project and construction management, specialized IT software and real estate services for special-purpose facilities (such as courthouses, laboratories, and correctional facilities). Its client base includes ministries (mandated) as well as voluntary customers (broader public sector).

Real Property Division is authorized and mandated under the *Public Agency Accommodation Act* to provide a broad suite of real estate services to public agencies. It serves the needs of more than 26,000 public servants in the British Columbia Public Service and many more in the broader public sector. Its real estate portfolio has almost 14 million square feet of space, comprised of 7.7 million in approximately 440 owned buildings and 6.3 million in 606 leased buildings. The division also oversees sale of surplus properties on behalf of Government.

The division ensures that workplaces are safe and secure, efficiently designed, maintained, energy efficient and upgraded to meet program needs of ministries. All new construction projects are built to at least LEED GOLD standards or better.

The following branches fall within the Real Property division:

- Accommodation Management
- Asset Management
- Client Services
- Facilities Management Services
- Financial Planning and Reporting
- Real Estate Business Services
- Strategic Real Estate Services (Release of Assets for Economic Generation)
- Workplace Development Services

**Budget**

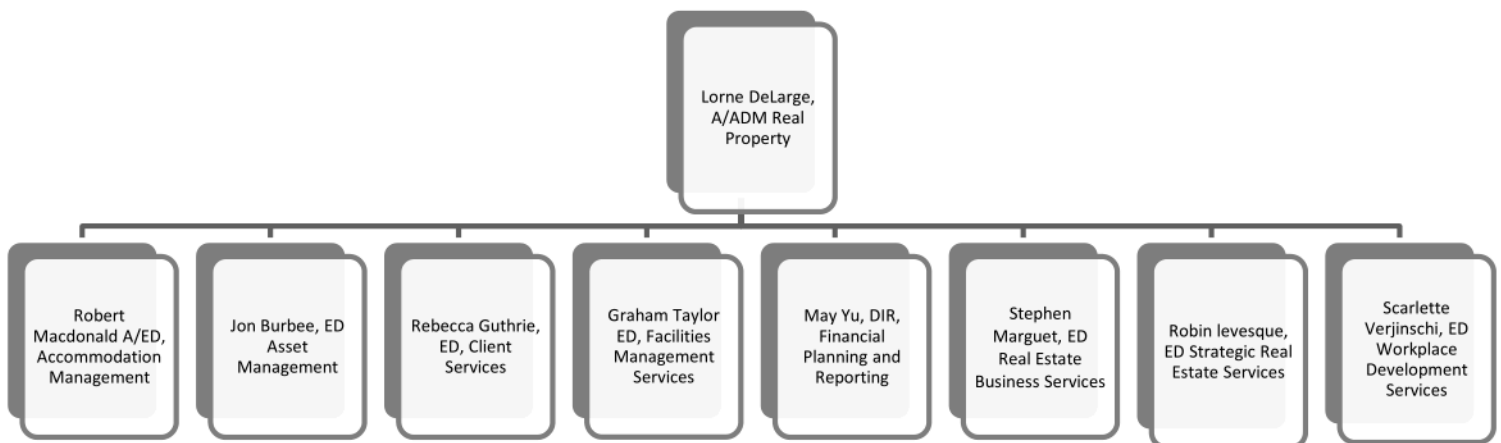
	<b>Restated 2016-17 Budget</b>	<b>2017-18 Budget</b>
Salaries and Benefits	\$15.968M	\$16.116M
Operating Costs	\$360.503M	\$371.958M
Grants	-	-
Other Expenses	\$33.744M	\$37.219M
<b>Gross Expenditure Total</b>	<b>\$410.215M</b>	<b>\$425.293M</b>
<b>Total Recoveries</b>	<b>(\$129.110M)</b>	<b>(\$129.114M)</b>
<b>Net Expenditures</b>	<b>\$281.105M</b>	<b>\$296.179M</b>
<b>Total Capital</b>	<b>\$133.752M</b>	<b>\$184.622M</b>

**Full Time Equivalents (FTEs): 189**

**Related Legislation:**

*Public Agency Accommodation Act*

*Government Buildings Act*

**Organizational Chart:**

## CORPORATE SERVICES

**Assistant Deputy Minister Responsible:** Colin McEwan

The Corporate Services division (CSD) provides leadership, direction, governance and support services to the Ministry with respect to financial management, facilities management, strategic human resources management, information management/information technology (IM/IT) management services, strategic internal and client communications, strategic planning and performance management. The division is also accountable for leading strategic corporate projects.

The division has four areas:

1. Financial and Administrative Services - provides expert financial, budget, governance, risk management, internal control, administrative and business advisory services support to ministry operations. Also manages the ministry's facilities and facility related services.
2. Information Management - responsible for fulfilling the Ministry Chief Information Officer mandate for the ministry, including maintaining ministry specific information systems.
3. Planning, Performance and Communications - provides human resource strategies, emergency management, planning support and internal employee communications functions.
4. Corporate Projects Office - provides a leadership role for corporate and special projects on behalf of the Deputy Minister, Associate Deputy Minister, and Assistant Deputy Minister/Executive Financial Officer.

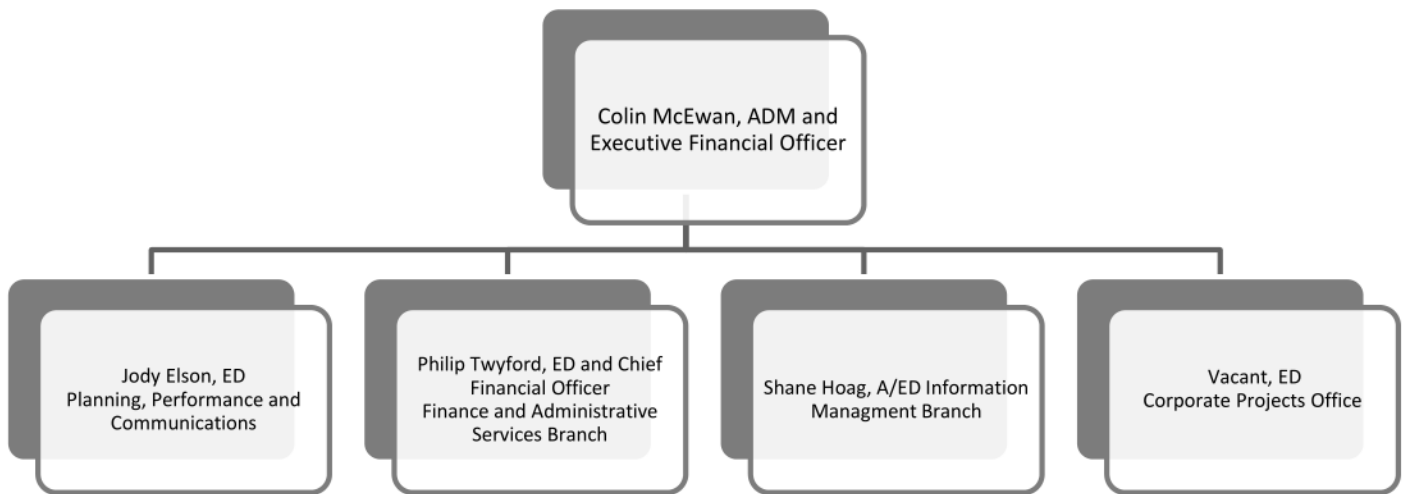
### Budget

	<b>Restated 2016-17 Budget</b>	<b>2017-18 Budget</b>
Salaries and Benefits	\$11.751M	\$11.476M
Operating Costs	\$5.380M	\$5.380M
Grants	-	-
Other Expenses	\$0.971M	\$0.971M
<b>Gross Expenditure Total</b>	<b>\$18.102M</b>	<b>\$17.827M</b>
<b>Total Recoveries</b>	<b>(\$0.058M)</b>	<b>(\$0.058M)</b>
<b>Net Expenditures</b>	<b>\$18.044M</b>	<b>\$17.769M</b>
<b>Total Capital</b>	<b>\$0.010M</b>	<b>\$0.010M</b>

**Full Time Equivalents (FTEs):** 111

**Related Legislation:** None

**Organizational Chart:**





## **TECH SECTOR OVERVIEW**

### **Technology, Innovation, Procurement and Supply**

#### **Lead Executive**

David Morel, Assistant Deputy Minister

#### **Background**

British Columbia's high technology sector is a vital part of the province's economy, contributing significantly to BC's GDP and providing competitive advantages to all sectors.

While the growth in the technology sector has outpaced other major sectors in BC, significant opportunity exist to continue the growth of the sector by modifying and improving provincial programs and working with the federal government to make sure BC interests are represented as they implement the federal Innovation Agenda.

A major challenge facing most BC companies is increasing scale from small to large. While partially addressed through new provincial and federal programs, recruiting and retaining staff, securing capital for research and expansion and developing new markets continue to be ongoing challenges for most BC technology companies.

The Technology, Innovation, Procurement and Supply Division supports the BC technology sector and BC's overall innovation ecosystem through various programs and initiatives. Other key ministries and agencies that contribute to the growth of the BC technology sector include the BC Innovation Council; the Premier's Technology Council; and the Ministries of Advanced Education; Education; Health; Jobs, Tourism and Skills Training; Energy and Mines; Agriculture; and Finance.

#### **Current Context**

##### **Profile of BC's Technology Sector**

BC's technology sector has been experiencing strong, continuous growth over the past decade. Employment has grown to over 106,000 jobs at 10,236 companies. The sector is made up primarily of small businesses, with 90% of BC technology companies having less than 10 employees. Most BC high tech companies focus on services (93%) rather than manufacturing. Even though increased connectivity has enabled technology companies to emerge in every corner of the province, the majority of technology companies are located in areas of high population density. (see attached map) The most recent [BC Stats profile](#) of the sector shows the significant impact the technology sector is having in British Columbia:

- The tech sector employs approximately 4.9% of B.C.'s workforce - more than the mining, oil and gas, and forestry sectors combined.
- Average earnings of technology employees in B.C. are \$1,590 per week, 75% higher than those of the average B.C. worker.
- BC tech service exports rose 6.7% and tech commodity exports jumped by 20.4% to over \$1.4 billion.

#### **Subsectors**

**Clean Technology**

By virtually every measure, BC's cleantech sector is showing dramatic growth: in 2016 the number of cleantech companies has grown to 273, the number of BC-based employees is 8,560, average wages have increased to \$84,000, and the amount of equity raised has reached \$6 billion. BC has solid foundation of global recognition for sound environmental stewardship and 20 years of leadership in fuel cell development. Complementing these are a leading-edge bio-energy sector, world-class utility programs, ready access to natural gas, and strong linkages to markets around the world. Strengths include:

- Hydrogen and fuel cells, particularly for applications beyond transportation, from the smallest mobile devices to telecommunications stations.
- Clean transportation, with major international manufacturers developing plug-in electric, fuel cell, and natural gas engines.
- Energy management and efficiency technologies, such as smart measurement, monitoring, and controls that power intelligent energy use.
- Renewable energy technology based on the development, testing, and use of BC's abundant natural resources.
- Water and waste resource management technologies that turn wastewater and solid waste into pristine drinking water, clean energy, and valuable, marketable materials.
- A major stakeholder and advocate for the cleantech sector both provincially and nationally is the BC Cleantech CEO Alliance. The Alliance was formed in 2009 and is a group of cleantech sector CEOs who advocate for the rapid growth and development of BC's cleantech sector. Chair of the BC Cleantech CEO Alliance is Jonathan Rhone.

Examples of major BC clean technology companies include:

- Ballard Power Systems, a global leader in PEM (proton exchange membrane) fuel cell technology;
- Westport Innovations, which engineers the world's most advanced natural gas engines and vehicles, to reduce both emissions and fuel costs;
- Nexterra Systems, a global leader in energy-from-waste gasification systems; and
- Axine Water Technologies, a developer of a low-cost, chemical-free solution for treating high concentrations of toxic organics, ammonia, and other pollutants in industrial wastewater.

**Information and Communication Technologies (ICT) and Wireless**

The ICT and wireless industries are a key element of BC technology sector. Although there is no formal, publicly available report on this subsector, BC Stats estimates that 4,800 ICT and wireless companies in the province, employing approximately 62,000 people. The ICT and wireless hub includes highly developed research infrastructure, an established network of experienced communication and software professionals, and angel investors. BC's ICT and wireless sector strengths include:

- Researchers and developers that are at the forefront of new developments in technology and design.
- Industry giants such as IBM and Microsoft, and BC leaders like Sierra Wireless and Telus have created one of the worlds leading ICT and wireless industry clusters.
- Wavefront, a national centre of excellence that fosters a network of seasoned communications and software professionals.

Examples of major BC ICT and wireless companies include:

- Avigilon, a leader in high-definition video surveillance systems;
- Hootsuite, a world-leading company offering a platform to manage social media;
- Sierra Wireless, a leading BC company that provides hardware, software, and services for machine-to-machine communications;
- Mobify, a pioneer in the field of responsive web design; and
- Global Relay, one of the first providers of cloud email systems that has grown to become a global technology company providing records management for the financial industry.

### **Film, Television and Digital Media**

While there are no current statistics on this subsector, data from 2012 showed that digital media generated annual revenues of over \$3 billion in BC, with 1,150 digital media companies employing 16,500 people. BC has one of the top video game clusters in the world, with more than 120 game development studios employing 5,500 professionals. BC's thriving creative industries are well established, with world-class film, television, visual effects, animation, and post-production companies, and a rich pool of creative talent that can support major feature-length projects – both on-screen and online. BC's digital media companies create innovative products in wireless and mobile, video gaming, web 2.0, social media, interactive marketing and e-learning, with uses in entertainment, education, health care, and other fields. Advantages include:

- Vancouver has a million square feet of studio space and workers can support the largest movie productions, from set construction and casting through to post-production and visual effects.
- Industry-led associations such as Creative BC and DigiBC work hand-in-hand with government to provide a range of supports.
- Film, television, and digital media companies are eligible for tax credits and incentives.

Examples of major BC film, TV and digital media companies include:

- DHX Studios Vancouver, which is home to two state-of-the-art facilities that consistently produce top quality 2D and 3D animation;
- Atomic Cartoons, which creates, produces, and finances animation for distribution across multiple channels;
- East Side Games, a powerhouse studio that produces social and mobile games; and
- A Thinking Ape, which produces online games, including some of the highest grossing apps on Apple's App Store.

### **Lifesciences**

According to a recent industry-commissioned report, the life sciences sector in BC employs almost 180,000 people and contributes \$14.4 billion to BC's GDP while contributing \$606 million in direct taxes. BC's life sciences sector has strong public-private partnerships facilitated by the close links that have been established between academia, industry and the government, which include:

- World-class research hospitals and universities that partner with 50 research centres, creating a dynamic, collaborative network for researchers.
- LifeSciencesBC, the organization that represents and supports the life sciences community, and facilitates links between government, academia and industry.
- Access to our world-class centres of excellence, including the Centre for Drug Research and Development, Genome BC, and the Michael Smith Foundation for Health Research.

Examples of major BC life sciences companies include:

- Qu Biologics, a company at the forefront of treating cancer and other immune-related disease with Site Specific Immunomodulators (SSIs) to restore the body's normal immune response;
- StarFish Medical, a leading service provider and medical device design company;
- STEMCELL Technologies, which develops specialty cell culture media, cell isolation systems and accessory products for life science research;
- Xenon Pharmaceuticals, a clinical-stage biopharmaceutical company that discovers and develops therapeutics for rare diseases; and
- Zymeworks, a company that designs new or improved protein-based drugs.

## **Relevance of Tech Sector in BC's Economy**

### **Contribution to GDP**

In 2015, Tech sector GDP increased by 2.4%, with positive growth in all sub-sectors except engineering. Despite its relatively small size, the tech sector generates 7% of BC's GDP – similar to manufacturing and health care.

### **Competitive Advantage**

Technology permeates all sectors in BC's diverse economy and using innovative technologies can provide all industries with competitive advantages that will enable BC to keep up with – and exceed – competitors across the globe. Government, industry and academia increasingly recognize the importance of bringing BC's traditional industries and the technology sector together to find new synergies.

## **BC's Tech Sector in Canada and the World**

Compared to other jurisdictions, BC's high technology sector is still relatively small. The sector continues to face challenges, such as a smaller domestic marketplace and an often tight labour market, which may give BC companies a competitive disadvantage, particularly with many of their American counterparts, but also with high tech firms in central Canada. Nevertheless, BC is home to high tech clusters, such as digital media and biotechnology, which are positioned among the best in the world.

### **Canadian Context**

Among Canadian provinces, BC's tech sector ranks fourth in GDP, revenue and count of businesses, third in employment and value of commodity exports, and second in average weekly earnings. Within Canada, the bulk of the nation's high technology sector is located in central Canada, with Ontario and Quebec accounting for approximately two-thirds of Canada's high technology GDP. Alberta ranked third, followed by BC with just over 11% of total Canadian high tech GDP.

### **Global Context**

BC's tech sector trails behind the majority of U.S. states, with high technology making up a far smaller share of employment and GDP in BC than it does in over half the states.

Compared to Canada, the tech sector plays a significantly larger role in the American economy. In 2015, 11% of U.S. GDP was produced by the high tech sector, or just over \$2.5 trillion. In comparison, just over 7% of Canada's GDP was generated by the tech sector and Canadian high tech output was less than 6% of the U.S. total.

High technology has varying degrees of significance among the states, but the sector is particularly vital for Washington, Oregon and California. In 2014, 21% of Washington State's GDP was generated by the tech sector. Washington has substantial software and aerospace sectors, led by industry giants Microsoft and Boeing, respectively.

## **Major BC Provincial Programs Relevant to Technology Sector**

### **BC Knowledge Development Fund**

The BCKDF program is directed and managed by the Technology and Innovation Branch, in collaboration with the Ministry of Advanced Education (AVED) Financial and Management Services Division. BCKDF does not have its own budget. Funding for BCKDF projects is provided out of the total overall Capital Budget for BC's public post-secondary institutions, responsibility for which resides with the Financial and Management Services Division, AVED.

Established in 1998, the British Columbia Knowledge Development Fund (BCKDF) is the province's primary capital investment fund in support of research infrastructure in B.C. public post-secondary institutions, teaching hospitals, and affiliated non-profit agencies. The BCKDF was originally created to help the province compete for federal funding, such as that from Canada Foundation for Innovation (CFI).

The BCKDF funds such infrastructure as lab instruments and state-of-the art large equipment (e.g. linear accelerator, supercomputers)

The BCKDF functions as a cost-sharing program that typically funds up to 40% of the total eligible costs of an infrastructure project. The CFI funds up to 40% of total eligible project costs, and other funding partners provide cash or in-kind funding for the remainder.

BCKDF's main objectives are to:

- maximize economic and social benefits of investing in research infrastructure in B.C.;
- promote excellence in research and the enhancement of research infrastructure in B.C.;
- encourage increased collaboration among the province's post-secondary institutions, as well as between post-secondary institutions and industry;
- improve B.C.'s ability to attract and retain high-quality researchers and skilled technicians; and,
- ensure that B.C. public post-secondary institutions and research hospitals are able to compete successfully for private-sector and federal funding, such as that available through the CFI.

The current provincial research priorities and goals include commercialization, job creation, and talent development.

Since 1998, over \$650 million has been awarded through the BCKDF. This investment has attracted an additional \$1.1 billion in research infrastructure funding from the federal Canada Foundation for Innovation (CFI) and other sources, for a total investment of over \$1.7 billion in research infrastructure in the province.

BCKDF Funding awarded and attracted over the past four fiscal years:

<b>Fiscal Year</b>	<b>Number of projects</b>	<b>BCKDF funds awarded</b>	<b>Direct funds attracted (CFI and other partners)</b>
2013/14	62	\$29,575,575	\$ 47,165,654
2014/15	92	\$20,257,348	\$ 32,253,294
2015/16	51	\$42,433,091	\$ 67,578,899
2016/17	58	\$20,363,141	\$ 46,827,187

By funding the infrastructure of BC's advanced research centres, the BCKDF contributes to supporting innovation, talent development, job creation, and attracting more research funds in the Province.

Over a four-year period (2012 to 2015), projects funded by BCKDF contributed to creating 971 jobs, 30

spin-off companies, 60 provisional patents, 29 granted patents, and 15 licensing agreements. On average, each year, 3,470 post-doctoral fellows and students expanded their skills using state-of-the-art BCKDF-funded infrastructure. The overall research income of the post-secondary institutions reached over \$770 million in 2015.

Examples of advanced research centres that benefited BCKDF-funded infrastructure include:

- TRIUMF on the University of British Columbia's campus: National laboratory for particle and nuclear physics, including research on medical isotopes to treat cancer.
- The Vancouver Prostate Centre: One of the world's most respected cancer facilities and a world class research program that assists thousands of BC men annually.
- CAMTEC on the University of Victoria's campus: An interdisciplinary research centre working on advanced materials and technology.
- The 4D LABS at Simon Fraser University: An innovative nanofabrication facility and laboratory for advanced spectroscopy and imaging research.
- The Building Science Centre of Excellence, on the BC Institute of Technology's campus: A research centre to advance knowledge on building materials and envelopes.

### **BC Innovation Council**

The BC Innovation Council (BCIC) is a Crown Corporation of the Province. BCIC encourages the development and application of advanced or innovative technologies to meet the needs of industry in BC, and accelerates technology commercialization by supporting startups and developing entrepreneurs.

With its partners, BCIC delivers programs and initiatives that promote company growth, resulting in jobs, increased revenue and economic development in BC.

- Venture Acceleration Program – a paid structured venture growth program designed to guide, coach and grow ambitious early-stage technology entrepreneurs and effectively grow their technology ventures.
- BCIC Tech Works – unites students with valuable training opportunities in BC's technology sector through the BCIC Innovator Skills Initiative and BC Tech Co-op Grants Program.
- BCIC-New Ventures Competition – provides BC entrepreneurs with the skills to launch and manage a startup through a 10-week business seminar and networking series while competing to win one of several prize packages.
- BCIC Ignite – provides funding to accelerate commercialization of new technologies and innovations in the natural resources and applied sciences in BC, with awards of up to \$300,000 to consortia that are conducting research projects.

### **BC Acceleration Network**

BCIC has 14 partners that form the BC Acceleration Network and deliver the Venture Acceleration Program:

- Accelerate Okanagan, Kelowna
- Bioenterprise, Vancouver
- Bulkley Valley Economic Development Association, Smithers
- e@UBC, Vancouver
- Foresight Cleantech Accelerator Centre, Surrey

- Innovation Central Society, Prince George
- Innovation Island, Nanaimo
- Kamloops Innovation, Kamloops
- Kootenay Association for Science and Technology (KAST), Rossland
- New Ventures BC, Vancouver
- Sumas Regional Consortium for High Tech (SRCTec), Mission
- VentureLabs, Vancouver
- Victoria Innovation, Advanced Technology and Entrepreneurship Council (VIATEC), Victoria
- Wavefront, Vancouver

### **Venture Acceleration Program**

The Venture Acceleration Program (VAP) is BCIC's flagship program. In 2016/17, BCIC allocated over \$3.2 million of its budget to the delivery of VAP across the province. VAP is a paid structured venture growth program designed to guide, coach and grow ambitious early-stage technology entrepreneurs and effectively grow their technology ventures. The VAP helps entrepreneurs accelerate the process of defining a proven business model based on a set methodology and set of best practices for growing technology companies.

Since the VAP was established in 2011, 589 companies have participated in the program, and 333 are deemed to have "graduated."

As of March 2017, BCIC reports that quantifiable outcomes directly linked to participation in the VAP include:

- \$81.6 million in additional revenue generated;
- 1640 jobs added to the BC economy; and
- \$196 million in investment attracted.

### **Premier's Technology Council**

Formed in 2001, the Premiers Technology Council is a specialized leadership council consisting of volunteer business, academic and government leaders representing BC's diverse economy. The Council focuses on strategic issues of interest to the government and BC where technology is or becoming a significant influence in economic, social and environmental outcomes. The Council delivers ideas, insights and recommendations to help the Premier of BC and BC Technology Leaders create value from technology for the citizens of BC through informal advice & guidance, briefing notes and position papers.

Past council work has informed the development of many components now found in the BC Tech Strategy.

### ***Members***

- Co-Chair – Premier Christy Clark
- Co-Chair – Don Matrick, a successful entrepreneur and industry leading executive in entertainment, games and consumer products.
- Aimee Chan, President and CEO of Norsat, a technology & communications solutions provider.



- Dr. Alexandra Greenhill, Physician, Entrepreneur and Co-Founder of webservice, myBestHelper.
- Judi Hess, CEO at Copperleaf, a software company helping manage critical infrastructure.
- V. Paul Lee, Founder and Managing Partner of VanEdge Capital Partners Ltd.
- Lane Merrifield, founder Club Penguin, largest online virtual world for kids, acquired by Disney.
- Steve Munford, successful growth executive and CEO in security and enterprise software.
- Cybele Negris, CEO and co-founder of webnames.ca, Canada's original .ca registrar.
- Professor Santa Ono, President and Vice-Chancellor of UBC and Chief Advisor of the BC Innovation network
- Warren Roy, CEO and Founder of Global Relay, enterprise class cloud based software services.
- Stephanie Simmons, Assistant Professor in the Department of Physics at SFU and CEO/Founder of Qoherence Instruments.
- Benjamin Sparrow, Co-Founder and CEO of Saltworks Technologies, an innovative desalination company.
- Kristine Steuart, CEO and Co-Founder of Allocadia, cloud based enterprise marketing software
- Margaret-Anne (Peggy) Storey, Professor of Computer Science and Director of the Software Engineering program at UVic.
- Dr. Ali Tehrani, CEO and co-founder of Zymeworks, a clinical stage biotherapeutics company
- Denise Williams, Executive Director of the First Nations Technology Council

#### **PTC staff and budget**

The PTC is supported by the President, Greg Caws, and served by an annual budget of \$425K. Secretariat staff are a PTC Director of Operations, seconded from MTICS, and two full time staff. Additionally, Bobbi Plecas, Associate Deputy Minister Corporate Initiatives, Office of the Premier provides government context at PTC quarterly meetings. The Secretariat provides guided support to Council. PTC administrative reporting is through the Technology, Innovation and Procurement Services Division at MTICS.

#### **#BCTech Strategy**

The #BCTECH Strategy is a multi-year strategy to support B.C.'s technology sector. It focuses on the economic growth and development of five subsectors, ICT, digital media, clean tech life sciences and engineering and is a key component of the BC Jobs Plan.

The #BCTECH Strategy was released in December 2015 and is comprised of 50 actions to address three key pillars: access to capital, talent development, and market access. At the March 2017 Tech Summit, a one year renewal and update was released, including 15 new actions and the addition of a fourth pillar: data innovation. It also set out four aspirational goals:

- Job growth in the tech sector will reach 120,000 by 2020.
- Foreign investment in the tech sector will increase by up to \$100 million by 2020.
- The number of B.C. grads will increase 1,000 grads per year by 2022.
- The number of tech companies with 10 or more employees will increase by 20% by 2021.

The strategy was built in partnership with seven ministries: the Ministries of Advanced Education, Education, Environment, Health, International Trade, Jobs, Tourism and Skills Training, and Technology, Innovation and Citizen Services.

The Ministry of Technology, Innovation and Citizen Services is responsible for the overall implementation of the strategy; however each ministry is responsible for implementation of specific initiatives. The Ministry is also responsible for implementation of the procurement and co-op initiatives. Since its release, the Ministries have begun or accomplished all 50 action items in the 2015 strategy and work is underway to implement the 15 actions identified in the 2017 renewal.

### **Venture Capital Fund**

The \$100 million BC Tech Fund was announced on December 8, 2015. It is a \$100 million venture capital fund-of-funds as part of the foundation of a comprehensive technology strategy aimed at stimulating growth in this fast-moving sector, creating jobs and strengthening a diverse economy. The BC Tech Fund is managed by Kensington Capital Partners which makes all investment decisions. The BC Tech Fund is focused primarily on investments at the Series A stage. Generally, a company will be considered at the Series A stage when it has a completed product that is being sold to paying customers, generating annual revenues in the range of \$1 million to \$3 million, with capital required to accelerate rapid growth

Ministry responsible: International Trade

### **Expansion of Post-Secondary Stem Programs**

In order to supply the tech industry with necessary talent, BC's Renewed Tech Strategy 2017 commits to increasing the number of science, technology, engineering, and math (STEM) graduates at BC's post-secondary institutions by 1,000 per year in both rural and urban areas. Funding of more than \$120 million over three years will be available for a mixture of certificates, diplomas and degrees. Some will constitute an expansion of existing programs, while others will be for entirely new programs. Both the new and expanded programming will be located throughout the province, including the Lower Mainland, Vancouver Island, the North, Central Interior, Southern Interior, and the Fraser Valley. Approximately 40 per cent of the projected new graduates associated with this investment are targeted for programming located outside the Lower Mainland.

Ministry responsible: Advanced Education

### **Coding in Elementary Schools**

To ensure that every child has the opportunity to learn coding by Grade 9, the Provincial Government announced \$6 million for coding and curriculum implementation in June, 2016. Optional coding modules were implemented for grades 6-9 in September 2016.

Ministry responsible: Education

### **Tax Credits**

BC has two tax credits specifically aimed at supporting the BC technology sector.

- Interactive Digital Media Tax Credit (IDMTC): taxable Canadian corporations with permanent establishments in British Columbia, in the business of developing interactive digital media products may be eligible for a refundable 17.5 per cent tax credit on qualified labour costs.
- Small Business Venture Capital Tax Credit (SBVCT): incentive to encourage early-stage investment in small businesses throughout the province. Corporations that invest in a registered venture capital corporation or a registered eligible business corporation may

receive a non-refundable tax credit against British Columbia tax equal to 30 per cent of the investment.

Subject to the approval of the Legislature, government has committed to expanding these two credits by including augmented reality and virtual reality products designed to entertain into the IDMTC, increasing the SBVCT by 10 percent and allowing companies to participate in both credits at the same time

Ministry responsible: Finance

### **Immigration**

The B.C. government has set a target of increasing the number of skilled immigrants with technology skills entering B.C. by 1,400 – 1,800 people. Part of this will be met through a tech-specific pilot under the Provincial Nominee Program (PNP), ensuring the sector has the capacity they need to attract longer-term talent. The province continues to also advocate with the federal government for changes to immigration policies that address tech-sector needs, including streamlining application processes; ensuring the sector can access talent faster and increasing pathways to citizenship for international students.

Ministry responsible: Jobs, Tourism and Skills Training

### **#BCTECH Summit**

The *#BCTECH Summit* is an annual two-day event in Vancouver, co-hosted by the BC Government and the BC Innovation Council, that showcases BC's vibrant technology industry, builds cross-sector opportunities for businesses and explores the latest ideas that will drive a competitive advantage for British Columbia and Canada.

In its inaugural year, the Summit quickly established itself as government's largest and most popular industry event with over 3,500 participants in 2016. The follow-up *#BCTECH Summit 2017*, hosted on March 14-15<sup>th</sup>, again exceeded expectations with over 5,800 participants (68% growth) and a program of nearly three-times the speakers and complexity.

The *#BCTECH Summit* series delivers the message that BC is open for business and that every business is a technology business because, in a rapidly evolving world, technology needs to be embraced by all sectors to not just compete – but to succeed.

The event supports the three pillars of the *#BCTECH Strategy* and seeks to deliver valuable benefits to its audience by providing access to new: markets, capital, world-class solutions, ideas, cross-sector opportunities, and talent.

The following are highlights from *#BCTECH Summit 2017*:

- 5,885 delegates across more than 1,000 organizations exchanged ideas and explored the latest tech innovations fueling BC's economy.
- 262 exhibiting BC companies, organizations and post-secondary institutions wowed attendees with unique innovations and research –from augmented and virtual reality, robots, exoskeletons and more.
- More than 1,500 secondary and post-secondary students from across the province, with teachers and chaperones, explored exciting technology career opportunities during Youth Innovation Day.
- 38 of BC's brightest tech stars pitched to more than 180 elite national and international investors in the Investment Showcase.

- 250 Business-to-Business (B2B) meetings were scheduled to connect 109 BC tech firms with 39 potential buyers and scouts from the private and public sectors.
- 1,142 job seekers and companies attended Techfest on March 15<sup>th</sup>.
- 200 speakers in 30+ sessions on the most important topics and sectors in tech.

Through its investment in the *#BCTECH Summit* series, the BC Government is demonstrating leadership in and commitment to the role of technology across all *BC Jobs Plan* sectors and to the entrepreneurs who are driving change, efficiency, innovation and productivity through tech in British Columbia.

Dates for next year's *#BCTECH Summit 2018* have been confirmed by Premier's Office and a hold has been placed at the Vancouver Convention Centre for May 13-16<sup>th</sup>, 2018.

### **New Programs in 2017/18**

#### **Expansion of BCIC Tech Works**

The 2017/18 budget allocates \$13.5 Million to BCIC for the continuation and expansion of the BC Tech Co-op Grants program and the BC Innovators Skills Initiative.

### **Federal Programs and Initiatives**

#### **Existing Programs**

There are several existing federal programs that have contributed significantly to projects in BC's technology and innovation ecosystem:

- Western Economic Diversification Canada (WD) - Promote the development and diversification of Western Canada's economy and advance the interests of the West in national economic policy.
- Sustainable Development Technology Canada (SDTC) - Fund Canadian cleantech projects and coach the companies as they move their technologies to market.
- Natural Resources Canada (NRCan) - Enhance the responsible development and use of Canada's natural resources and the competitiveness of Canada's natural resources products.
- Canada Foundation for Innovation (CFI) - Make financial contributions to Canada's universities, colleges, research hospitals and non-profit research organizations to increase their capability to carry out high quality research.
- Tri-Council – Fund and promote post-secondary research and training through three agencies:
  - Natural Sciences and Engineering Research Council of Canada (NSERC)
  - Social Sciences and Humanities Research Council (SSHRC)
  - Canadian Institutes of Health Research (CIHR)

#### **Opportunities**

The 2017 federal budget contains significant opportunities for the technology and innovation ecosystem in BC, particularly regarding funding for clean technology development. Budget 2017 introduced the new Innovation and Skills Plan, which revolves around three measures: Lifelong Learning, Innovation and Key Growth Industries. Some highlights include:

#### **Lifelong Learning/Talent:**

- \$7.8 million over two years to implement a new Global Talent Stream under the Temporary Foreign Worker Program, as part of the Global Skills Strategy.
- Amend the *Immigration and Refugee Protection Act* to ensure that the Express Entry system is responsive to the needs of the Canadian labour market.
- \$50 million over two years to provide coding and digital skills education to young Canadians.

**Innovation:**

- Establish Innovation Canada, a new platform led by Innovation, Science and Economic Development Canada that will coordinate and simplify supports available.
- \$950 million over five years to be provided on a competitive basis in support of a small number of business-led innovation “superclusters” that will accelerate economic growth.
- Create the Impact Canada Fund to introduce a new mission- or “challenge”-based approach that will help focus and accelerate efforts toward solving Canada’s big challenges. The Impact Canada Fund will focus its initial efforts in two problem-solving streams:
  - A clean technology stream, supported by up to \$75 million over two years
  - A smart cities stream, supported by \$300 million over 11 years that will support the Smart Cities Challenge.
- \$400 million over 3 years for a Venture Capital Catalyst Fund to increase late stage VC, through the Business Development Bank of Canada (BDC)
- \$500 million Canadian Business Growth Fund to provide long term capital through minority interests in Canadian SMEs.
- \$218 million over five years to establish an Invest in Canada Hub, a new federal body dedicated to attracting leading global firms to Canada.

**Key Growth Industries:**

- The new Innovation and Skills Plan identifies six key areas: advanced manufacturing, agri-food, clean technology, digital industries, health/bio-sciences and clean resources.
- Initial efforts will center on three industries:
  - Digital Industries: \$125 million to launch a Pan-Canadian Artificial Intelligence Strategy for research and talent.
  - Agri-Food: \$70 million over six years, starting in 2017–18, to further support agricultural discovery science and innovation, with a focus on climate change and soil and water conservation.
  - Clean Technology: \$1.4 billion in new financing on a cash basis through the BDC and Export Development Canada; \$1.6 billion allocated over four years for the federal government to engage with provincial governments via Green Infrastructure Bilateral Agreements.

**CONNECTIVITY**  
**Office of the Chief Information Officer, Network BC**

**Lead Executive**

Susan Stanford, Executive Lead, Network BC

**Background**

- High-speed Internet provides British Columbians in rural and remote communities with better opportunities to learn, do business, access services and stay connected.
- B.C. continues to work with the federal government, regional and local governments, telecommunication and Internet service providers to identify opportunities to expand and sustain Internet connectivity in rural communities to ensure equitable and affordable access to Internet services for all British Columbians.
- This work is being done through the federal Connect to Innovate program administered by Innovation, Science and Economic Development Canada, the provincially funded Connecting British Columbia program administered by Northern Development, and the non-monetary Connecting British Columbia Agreement between the Province and TELUS.

**Current Context**

***Connecting British Columbia Program***

- In Budget 2017 government announced an additional \$40 million to the Connecting British Columbia program administered by the Northern Development Initiative Trust.
  - The first \$20 million granted in April 2017 will ensure the Connecting British Columbia program can be effectively leveraged by BC-based service provider proposals submitted to the Federal Connect to Innovate program. s.12
  - When the \$40 million of new connectivity projects are complete, 98% of British Columbians will have access to 5 megabits or better by 2020.
- The \$40 million investment builds on the \$10 million previously allocated to 30 projects that will improve or expand Internet services to more than 40,000 households in over 200 communities. s.13,s.16,s.17

***Innovation, Science and Economic Development Canada (ISED) – Connect to Innovate program***

- The \$500M federally funded Connect to Innovate program intake closed on April 20, 2017. The program provides funding for backbone infrastructure and last mile projects in support of the federal Innovation Agenda.
- Connect to Innovate funds are not allocated by province and are awarded on merit-based criteria, which requires matching funds from other sources such as the Connecting British Columbia program.

***Canadian Radio-television and Telecommunications Commission (CRTC) – New Fund planned***

- The CRTC has the federal mandate to regulate and set policy regarding telecommunications. The Province monitors and where necessary, provides feedback to the CRTC on behalf of citizens.
- In December 2016, the CRTC identified a new Internet standard requiring download speeds of at least 50 megabits per second (Mbps) and is planning to create a new \$750M fund in the future to help subsidize Internet expansion. The CRTC has launched two new rounds of public consultations to help determine the program criteria for the new fund. This fund is not expected to be operational until 2018/19, or later.

s.13

s.13,s.16,s.17

***Other Highlights***

- TELUS has provided more than 1,700 kilometers of additional cellular coverage along unconnected primary and secondary highway segments as part of a non-monetary agreement between TELUS and the Province.
- TELUS has upgraded 375 public schools to high-speed fibre-optic cables to enable faster access to information for learners.
- With the Province's support, the First Nations-led Pathways to Technology project has connected 197 First Nations communities. The All Nations Trust Company manages this project.
- Xplornet Communications Inc. has expanded satellite coverage to over 4,500 households in B.C.'s most remote areas through the BC Broadband Satellite Initiative.
- This spring, five rest areas along provincial highways will have Wi-Fi installed.

**Major Activities in 2017/18**

***Connecting British Columbia Program***

s.12,s.13

s.12,s.13,s.16,s.17

***New Federal Programs***

s.13,s.16

**Key Decisions in 2017/18**

s.12,s.13,s.17



# Access to Minimum 1.5 Mbps and 5 Mbps Internet

Status as of December 2016



NetworkBC

## Network Connectivity

Access to Minimum  
1.5 Mbps & 5 Mbps  
Terrestrial Based  
Internet Services

### Legend

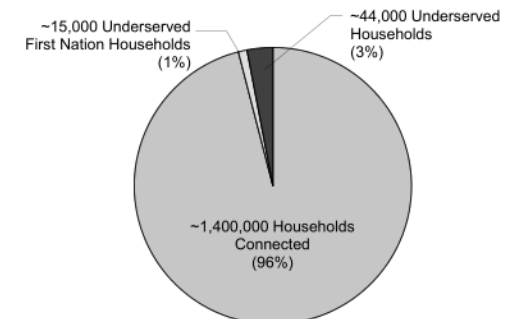
First Nation  
Community -  
Receiving no Internet  
access or less than  
1.5 Mbps

Households -  
Receiving no Internet  
access or less than  
1.5 Mbps

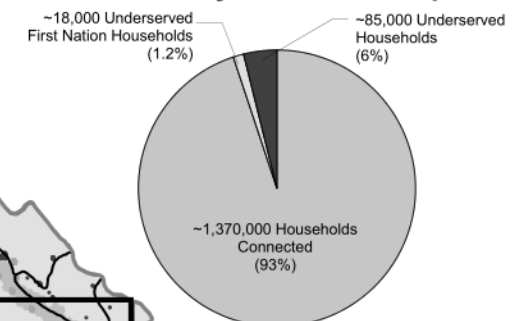
Broadband Internet  
(minimum 1.5 Mbps)

Broadband Internet  
(minimum 5.0 Mbps)

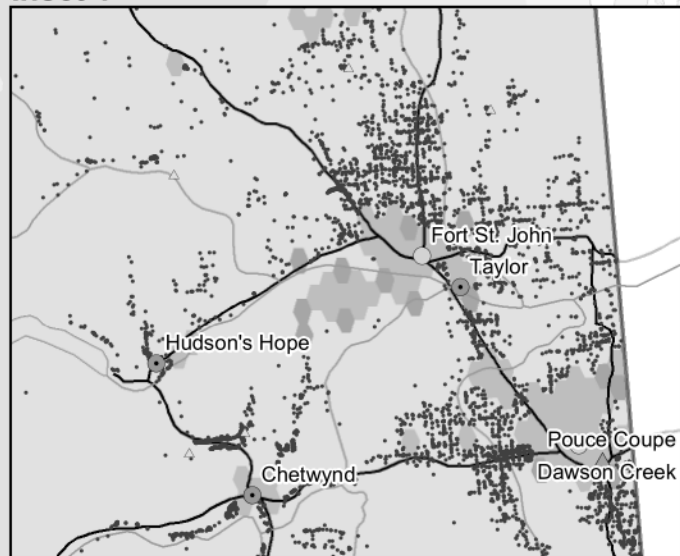
### Connectivity Status at 1.5 Mbps



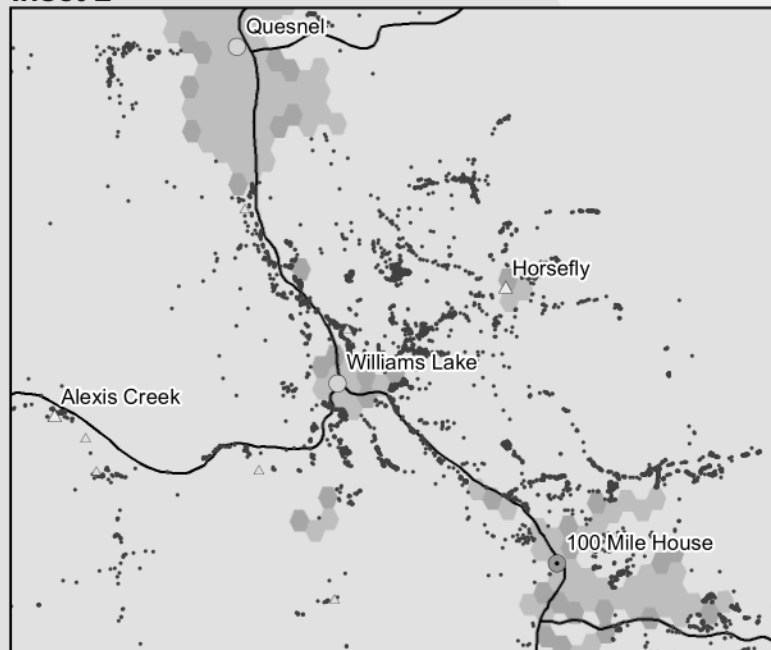
### Connectivity Status at 5 Mbps\*



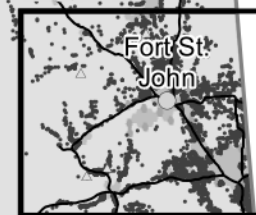
Inset 1



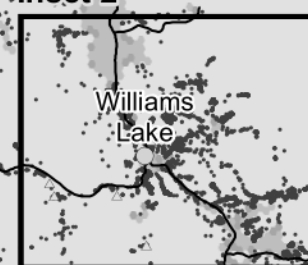
Inset 2



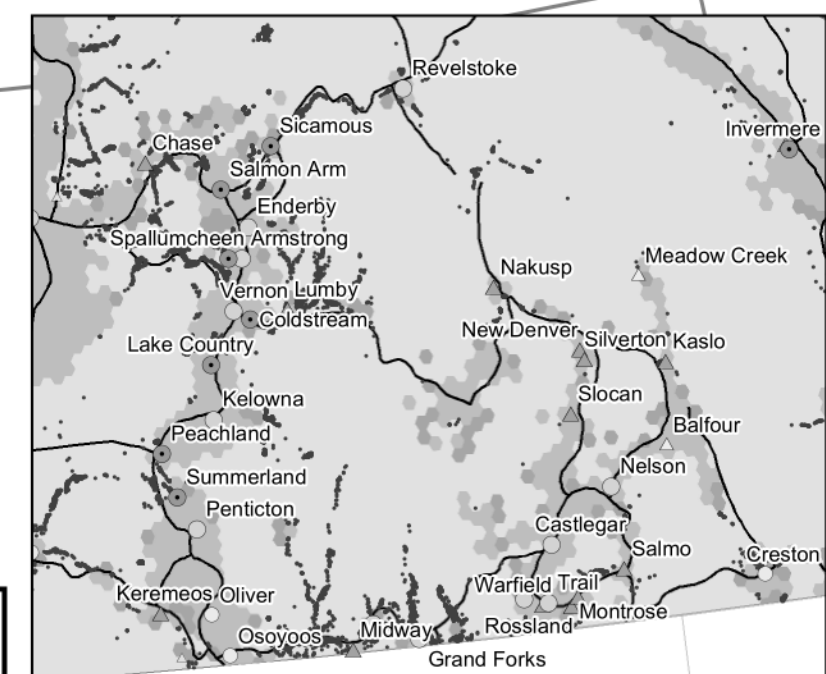
Inset 1



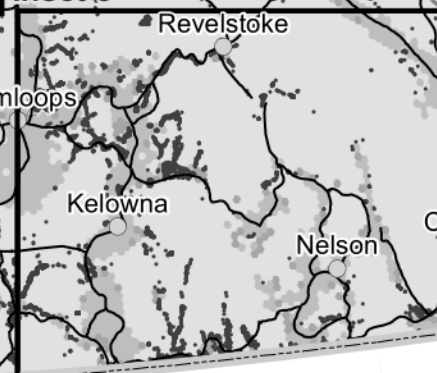
Inset 2



Inset 3



Inset 3



0 50 100 200 Km

**BC STATS**  
**Service BC Division**

**Lead Executive**

Beverly Dicks, Assistant Deputy Minister

**Background**

Founded in 1894, BC Stats is the provincial government's leader in statistical, demographic and economic research, information and analysis. BC Stats provides quality data intelligence about BC's citizens, economy, and government, adding value to data and information to support informed decision-making and policy development. BC Stats is responsible for the *Statistics Act*, which has the authority to collect personal information in confidence and reports out aggregate data and analysis. It is a 93% cost recovery organization.

**Current Context**

As the social and economic context continues to change rapidly, government needs a way to make sense of disparate sources and huge volumes of data. BC Stats, a data science organization, brings data management and analysis skills for both government and citizens to support evidence based discussion and decision making.

**Major Activities in 2017/18**

s.13

Specific deliverables:

s.13

**Key Decisions in 2017/18**

n/a

## **OCIO STRATEGY**

### **Office of the Chief Information Officer**

#### **Lead Executive**

Ian Bailey, Assistant Deputy Minister and Acting Government Chief Information Officer (under recruitment)

#### **Background**

The BC government is committed to ensuring citizens have the best possible experience when interacting with us. This vision is outlined in more detail in Where Ideas Work, the corporate plan for the BC Public Service. To support this plan, the Office of the Chief Information Officer (OCIO) released the OCIO Strategy 2016. It sets the 3-year strategic direction for Information Technology (IT) for the BC government and its transition to digital government.

Released in October 2016, the strategy is intended to guide and support IT investment planning across government. It's about enabling digital services, maximizing value from our IT investments, operating a secure IT infrastructure and enabling our workforce to accomplish our shared goals.

#### **Current Context**

The OCIO Strategy is complemented by a Strategic Portfolio that tracks the progress of commitments made in the strategy. We have completed year one of our OCIO Strategy commitments and will issue an annual report card that includes an update on the status of our commitments, highlights of achievements and validation of our next year commitments.

#### **Major Activities in 2017/18**

s.13,s.17

s.13,s.17

**Key Decisions in 2017/18**

s.13

**Attachment:** OCIO Strategy Year 1 Report Card

# OCIO STRATEGY Year 1 Report Card



# BECOMING A DIGITAL GOVERNMENT YEAR 1

The OCIO Strategy was published in October 2016. Since then, we have been working closely with our partners to achieve each of the strategy's 42 commitments. The OCIO is committed to being open, transparent, and reporting regularly on our progress. This Year 1 Report Card reflects a five month period from October 2016 to March 2017 and shows the progress of our commitments on our path to enabling a digital government.

We have accomplished a great deal as you will see in the pages ahead. Some adjustments have been made and through the creation of a strategic portfolio, we will continue to validate, adjust and refine these commitments as we move forward.

We are very proud of the work we have done over the past five months and are pleased to share our Year 1 Report Card with you.



Continuous Improvement

- ↑ Innovation
- ↑ Integration
- ↑ Speed
- ↑ Interoperability
- ↑ Experience

## PROGRAMS

- BC Services Card
- Developers Exchange
- CloudBC
- Provincial Connectivity
- Industry Intelligence
- Annual Security Course
- OCIO Connect
- IT Capital Investment
- Strategic Investment Fund

## PROJECTS

- Cloud Strategy
- DevOps
- Agile Training & Guidebook
- Mobile Framework
- Next Generation Office
- Digital Toolkit
- IT Policy Modernization
- Talent, Training, Succession
- Workstation Reprocurement
- Network Modernization

## OPERATIONS

- Cloud Brokering
- Innovation Budget
- Unified Communications
- Mobile Device Management
- IT Service Management
- Security Operations Centre
- Advanced Security Threat Prevention
- Workstation Analytics
- IT Asset Value Registry
- STRA Process Improvement




OCIO Strategy 2016 goals:

- Goal1: Enable Digital
- Goal2: Engaged Workforce
- Goal 3: Operational Excellence
- Goal4: Maximize Value

# OCIO STRATEGY: YEAR 1 ACHIEVEMENTS

Year1: Nov 2016-Mar 2017

## We've modernized

-  **97%** of the Province with access to 1.5MB+
- 70%** of the network updated to converged edge
-  **5000 user/lines** now migrated to Unified Communications
-  **13,000 devices** enrolled in the Mobile Device Management Service

## New building blocks

-  • Enterprise Business Architecture 2.0
-  • Chapter 12 roles and responsibilities
- Next Generation Office preliminary analysis
- OCIO Communications framework
- Corporate Software Business Plan
- Critical System Standard v2

## Supporting our talent

- **Succession Planning** for critical & high-risk positions
- **IM/IT Workforce strategy** with the Public Service Agency
- OCIO staff took part in **56 TAs** in 2016

## Security delivered



- Security Policy 3.0
- Security Operations Centre
- Secure Internet Service
- STRA Process reviewed
- Vulnerability Mgt Program
- Digital Certificate Service

## Strategic Spending

- 92%** of the Strategic Investment Fund allocated for 5 Ministry projects
- 3%** of budget allocated for innovation
-  **Finalist BC Tech Association Technology Impact Award** in the category of "Adoption of Technology"

## Applications and systems



## DevEX and DevOps

- **19 projects on-boarded** to the DevOps environment
- **9 early adopters** invited to use the CSI Lab ('Kick Start')
- "Code With Us" is **transacting up to \$75k**
- "Code for Gov't Ready Products" beta released
-  **Winner: Red Hat Innovation Award** in the category of "The Open Source Way"

## Strategic focus

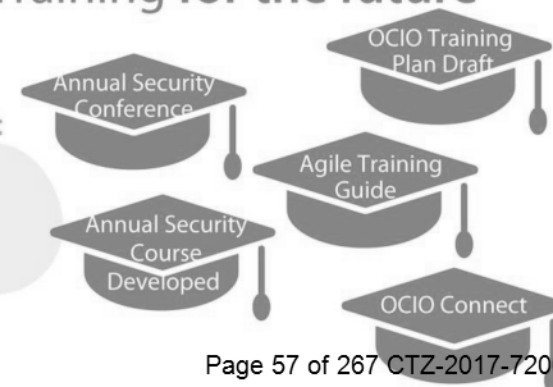
	Mobile Security Standard complete
Pillar Strategies drafted for Mobility, Cloud, Security	Strategic Portfolio developed

## We're using industry intelligence



- Intelligence Reports
- Analyst Calls
- The OWL Newsletter
- Corporate Supply Agreement

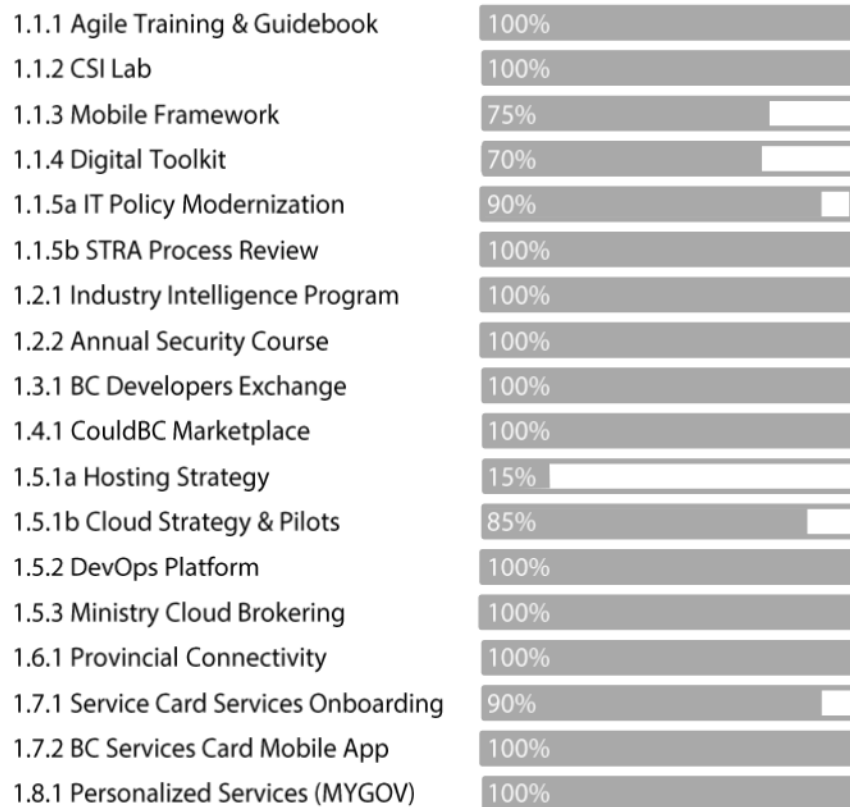
## Training for the future



# OCIO STRATEGIC PORTFOLIO: Reporting on year 1 targets

Each commitment listed below consists of one or more projects, and has at least one performance measure. Every year, targets are established to track progress towards the measure(s). The status shown on these pages refers to progress made on the year 1 targets.

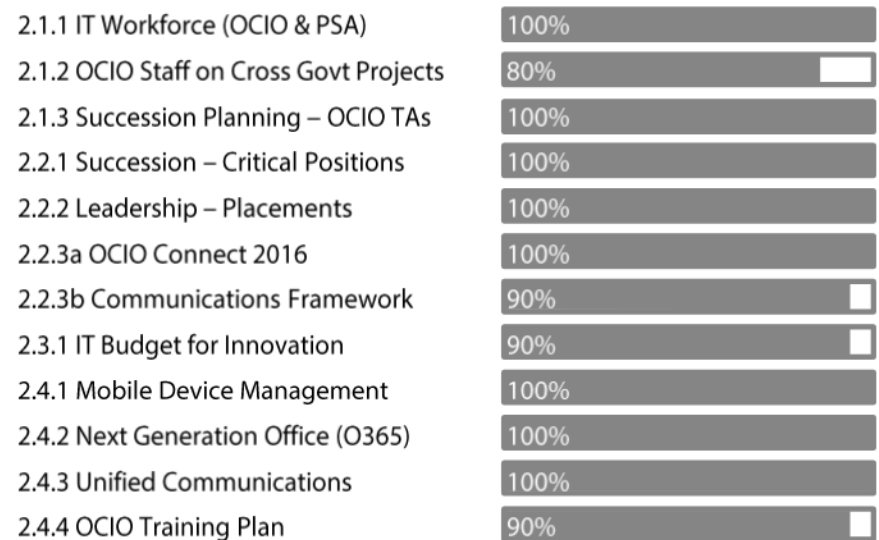
## 1 ENABLE DIGITAL - % COMPLETE



### Notes

- 1.1.3 Mobility security standard complete, strategy in draft, engagement underway
- 1.1.4 Alpha developed, user testing underway
- 1.5.1a The Hosting Strategy has been moved to year 2
- 1.5.1b Cloud Strategy in draft, engagement underway
- 1.7.1 2 services on-boarded, 3<sup>rd</sup> is 90% complete

## 2 ENGAGED WORKFORCE - % COMPLETE



### Notes

- 2.1.2 Completed, but post March 31<sup>st</sup> 2017
- 2.2.3b Completed, but post March 31<sup>st</sup> 2017
- 2.3.1 Completed, but post March 31<sup>st</sup> 2017
- 2.4.4 Draft complete, validation in progress



# OCIO STRATEGIC PORTFOLIO: Reporting on year 1 targets

Each commitment listed below consists of one or more projects, and has at least one performance measure. Every year, targets are established to track progress towards the measure(s). The status shown on these pages refers to progress made on the year 1 targets.

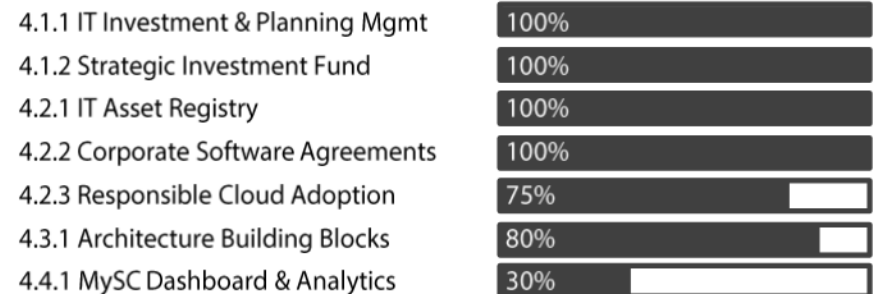
## ③ OPERATIONAL EXCELLENCE - % COMPLETE



### Notes

- 3.1.1 The vendor discontinued the product
- 3.3.1 Draft completed, review and approvals underway

## ④ MAXIMIZE VALUE - % COMPLETE



### Notes

- 4.2.3 Partially complete, Y2 will focus on creation of a cloud playbook
- 4.3.1 EBA in draft, Y2 will focus on creation of a registry of corporate services with API management
- 4.4.1 The vendor discontinued the product

	Commitment	Measures	Y1 Targets	%	Y2 Targets
1.1.1	Making it easier for government projects to use agile approaches and acquire modern tools	<ul style="list-style-type: none"> <li>— agile guide developed</li> <li># of teams, executives, staff trained</li> </ul>	<ul style="list-style-type: none"> <li>agile training course developed</li> <li>agile guide developed</li> </ul>	100%	<ul style="list-style-type: none"> <li>Deliver training to 5 Ministry teams</li> <li>Deliver executive leadership training to 20 executives</li> </ul>
1.1.2	Participating in the creation of a new Innovation Hub, co-locating multidisciplinary teams to improve innovation, productivity and collaboration and to 'kick start' suitable projects	<ul style="list-style-type: none"> <li># of projects</li> </ul>	<ul style="list-style-type: none"> <li>CSI Program Alpha Design</li> <li>CSI Lab 5 early adopter projects</li> </ul>	100%	<ul style="list-style-type: none"> <li>Pilot CSI lab for 9 candidate Ministry projects</li> </ul>
1.1.3	Develop policies, standards, and security and authentication guidelines to facilitate the development of government mobile apps and services	<ul style="list-style-type: none"> <li>mobile framework use</li> </ul>	<ul style="list-style-type: none"> <li>Publish Mobility strategy</li> <li>Engagement with key stakeholders</li> </ul>	75%	<ul style="list-style-type: none"> <li>Launch and communicate Mobile Strategy</li> <li>Establish mobility framework</li> <li>Prototype an application based on the framework</li> </ul>
1.1.4	Supporting a digital government by providing a toolkit of digital guides and resources, that assist public servants to develop better digital services	<ul style="list-style-type: none"> <li>user satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Alpha of toolkit developed</li> <li>User testing</li> </ul>	70%	<ul style="list-style-type: none"> <li>Publish toolkit</li> <li>Survey user satisfaction</li> </ul>
1.1.5a	Modernizing and simplifying key IT policies and standards	<ul style="list-style-type: none"> <li>user satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Key stakeholders engaged on Chapter 12 redesign</li> <li>Policy advisory program implemented</li> </ul>	90%	s.12
1.1.5b	Modernizing and simplifying key IT policies and standards	<ul style="list-style-type: none"> <li>user satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Security Policy 3.0 (Modernize the Policy)</li> <li>STRA process review</li> </ul>	100%	
1.2.1	Raising awareness of the latest IT trends, technologies and security vulnerabilities	<ul style="list-style-type: none"> <li>program use</li> <li># decisions informed by the program</li> </ul>	<ul style="list-style-type: none"> <li>Launch Program</li> <li>Pilot Executive Programs</li> </ul>	100%	<ul style="list-style-type: none"> <li>20 custom research reports</li> <li>4 events for program awareness</li> <li>Baseline the impact of intelligence on decision making</li> </ul>
1.2.2	Expanding the security awareness program through an annual government security course	<ul style="list-style-type: none"> <li>% of staff completing the course</li> </ul>	<ul style="list-style-type: none"> <li>annual govt. security course developed</li> </ul>	100%	<ul style="list-style-type: none"> <li>Course launched, piloting with 1 Ministry staff</li> <li>Communication of mandatory requirements to the pilot staff</li> <li>Course update</li> </ul>
1.3.1	Creating more opportunities for smaller businesses and entrepreneurs to contribute along side incumbent vendors and partners	<ul style="list-style-type: none"> <li># of payments made through developers exchange</li> </ul>	<ul style="list-style-type: none"> <li>new procurement and payment options</li> </ul>	100%	<ul style="list-style-type: none"> <li>Enable self-service for Broader Public Sector developers</li> <li>"Sprint with Us" – design model for Ministries to obtain agile team resources</li> <li>Pilot one "Sprint with Us" project</li> </ul>
1.4.1	Co-developing CloudBC, an online marketplace for cloud services	<ul style="list-style-type: none"> <li># of vendors onboarded to CloudBC</li> <li># entities consuming services through CloudBC</li> </ul>	<ul style="list-style-type: none"> <li>Develop and Launch the CloudBC website</li> <li>Develop the online marketplace</li> </ul>	100%	<ul style="list-style-type: none"> <li>3 vendors onboarded to CloudBC</li> <li>2 entities consuming CloudBC services</li> </ul>
1.5.1a	Launching a hosting strategy, and delivering on the OCIO's implementation (IaaS & PaaS) plan for cloud adoption	<ul style="list-style-type: none"> <li>— % increase of hosting services transitioned to the cloud</li> <li>Endorsement of strategy by key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Hosting Strategy Developed and communicated</li> </ul>	15%	<ul style="list-style-type: none"> <li>Hosting Strategy Developed and communicated</li> <li>Engagement of strategy by at least 3 OCIO SDUs and 3 Ministries</li> </ul>
1.5.1b	Launching a hosting strategy, and delivering on the OCIO's implementation (IaaS & PaaS) plan for cloud adoption	<ul style="list-style-type: none"> <li>— % increase of hosting services transitioned to the cloud</li> <li># of cloud platforms available for enterprise use</li> <li>% ministries using enterprise-ready cloud platforms</li> </ul>	<ul style="list-style-type: none"> <li>Cloud Strategy Developed and communicated</li> </ul>	85%	<ul style="list-style-type: none"> <li>Launch and communicate Cloud Strategy</li> <li>Development of the SaaS strategy</li> </ul>
1.5.2	Establishing a 'DevOps' environment to speed up the provisioning and delivery of systems and software	<ul style="list-style-type: none"> <li># of projects and systems</li> </ul>	<ul style="list-style-type: none"> <li>DevOps environment production ready</li> <li>Five DevOps early adopter projects</li> </ul>	100%	<ul style="list-style-type: none"> <li>DevOps expanded across multiple cloud service providers</li> <li>DevOps in compliance with critical systems standard</li> <li>DevOps version 2, for scalability and improved systems management</li> <li>5 DevOps projects</li> </ul>
1.5.3	Offering the services and expertise for ministries to more easily adopt cloud offerings	<ul style="list-style-type: none"> <li># cloud services available to ministries</li> <li># cloud related educational sessions</li> </ul>	<ul style="list-style-type: none"> <li>Ministry engagement to identify opportunities for cloud-based digital service delivery</li> </ul>	100%	<ul style="list-style-type: none"> <li>Establish baseline # of cloud services successfully implemented</li> <li>3 cloud-related education sessions</li> </ul>
1.6.1	Working with private sector, First Nations organizations and all levels of government	<ul style="list-style-type: none"> <li>all households in B.C. are within high speed coverage</li> </ul>	<ul style="list-style-type: none"> <li>Provincial Connectivity access at 96%</li> </ul>	100%	<ul style="list-style-type: none"> <li>Provincial Connectivity access at 97%</li> </ul>
1.7.1	Onboarding more government services to use the BC Services Card for authentication	<ul style="list-style-type: none"> <li># of government services onboarded</li> <li># of ministry programs using identity data</li> <li>citizen use adoption</li> </ul>	<ul style="list-style-type: none"> <li>Onboard 3 new services to the BC Services Card Identity and Authentication service</li> </ul>	90%	<ul style="list-style-type: none"> <li>Onboard 3 services to the BC Services Card Identity and Authentication service</li> <li>Onboard 1 program area using identity data</li> <li>Usability testing of the card with 50 citizens</li> </ul>
1.7.2	Developing a mobile app that increases the convenience of the BC Services Card	<ul style="list-style-type: none"> <li>App use</li> <li>Reduced card reader issuance</li> </ul>	<ul style="list-style-type: none"> <li>BC Services Card app available in Android playstore</li> </ul>	100%	<ul style="list-style-type: none"> <li>iOS app is available on the Apple App Store</li> </ul>
1.8.1	Co-developing the new personalized digital services strategy	<ul style="list-style-type: none"> <li># government services ready for MyGov</li> </ul>	<ul style="list-style-type: none"> <li>Support the onboarding of two government services to MyGov, using Code for gov't Ready Products (Beta)</li> </ul>	100%	<ul style="list-style-type: none"> <li>Support the onboarding of two government services to MyGov, using Code for Govt Ready Products (release 2)</li> </ul>

Note: Percentages are based on the total number of projects that are currently in progress.

	Commitment	Measures	Y1 Targets	%	Y2 Targets
2.1.1	Strengthen our IT workforce throughout government by working with the PSA to improve recruitment, development and talent mobility.	<ul style="list-style-type: none"> <li><del>— # of IT recruits</del></li> <li><del>— # of FTEs created by capital projects</del></li> <li><del>— % increase in IT-related Co-op hires</del></li> <li>• # pooled hirings for IT classifications</li> <li>• # of cross-government corporate IT skills training sessions</li> <li>• % competitions using newly defined IT competencies</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain approval to capitalize FTEs</li> <li>• Increase number of co-ops</li> <li>• Support PSA's Corporate Succession Management IT Stream</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Pilot at least 1 pooled hiring for one IT classification across government</li> <li>• Offer 3 cross-government corporate training sessions for IT skills</li> <li>• Redefine competencies for the MCIO roles &amp; apply to at least one Ministry CIO position.</li> </ul>
2.1.2	Identify opportunities for OCIO staff to work on government projects that build and develop IT skills, capabilities and experience.	<ul style="list-style-type: none"> <li>• <del>— #</del> OCIO staff on cross-govt projects</li> </ul>	<ul style="list-style-type: none"> <li>• Set baseline - All SSMT to report on # of staff they have on cross-govt projects</li> </ul>	80%	<ul style="list-style-type: none"> <li>• Baseline + 5% of staff on cross-govt projects</li> </ul>
2.1.3	Support OCIO staff to achieve development objectives through temporary assignments.	<ul style="list-style-type: none"> <li>• # % of staff on relevant temporary assignments</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a baseline</li> </ul>	100%	<ul style="list-style-type: none"> <li>• 15% of staff on temporary assignments</li> </ul>
2.2.1	Identify critical positions within the OCIO at all levels, and developing a plan to ensure the continuity of skills and knowledge.	<ul style="list-style-type: none"> <li>• % critical positions filled within 30 days</li> </ul>	<ul style="list-style-type: none"> <li>• Succession management plan for critical positions in place</li> </ul>	100%	<ul style="list-style-type: none"> <li>• 90%+ critical positions filled within 30-days</li> </ul>
2.2.2	Identifying opportunities for the OCIO's emerging leaders through the Leadership Development Review Process.	<ul style="list-style-type: none"> <li>• <del>— #</del> % placements</li> </ul>	<ul style="list-style-type: none"> <li>• % OCIO Staff completing the business leadership development review process</li> </ul>	100%	<ul style="list-style-type: none"> <li>• 20% of reviewees identified as ready given leadership opportunities</li> </ul>
2.2.3a	Create more opportunities for OCIO staff to network with industry peers, increase exposure to technology trends, and acquire new skills.	<ul style="list-style-type: none"> <li>• # staff attending key events</li> <li>• <del>— % increase in new communications</del></li> <li>• Attendee satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• 550 attendees</li> <li>• 85% attendee satisfaction</li> </ul>	100%	<ul style="list-style-type: none"> <li>• 650 attendees</li> <li>• 90% attendee satisfaction</li> </ul>
2.2.3b	Create more opportunities for OCIO staff to network with industry peers, increase exposure to technology trends, and acquire new skills.	<ul style="list-style-type: none"> <li>• <del>— # staff attending key events</del></li> <li>• <del>— % increase in new communications</del></li> <li>• Client satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Communications framework developed</li> <li>• Streamlined service bulletin process</li> </ul>	90%	<ul style="list-style-type: none"> <li>• Baseline client satisfaction with the framework</li> <li>• Implement a communications calendar</li> </ul>
2.3.1	Allocate resources and funding for innovative OCIO projects.	<ul style="list-style-type: none"> <li>• % of IT budget allocated</li> </ul>	<ul style="list-style-type: none"> <li>• 5% of OCIO budget allocated to projects that are modernizing &amp; innovating IT service delivery for government.</li> </ul>	90%	<ul style="list-style-type: none"> <li>• 5.5% (\$8M) or amount required to fund approved projects</li> </ul>
2.4.1	Offer government staff a better choice of the devices they need to do their job, while protecting sensitive information.	<ul style="list-style-type: none"> <li>• employee satisfaction</li> <li>• % increase of mobile devices enrolled</li> <li>• Increased choice of devices</li> </ul>	<ul style="list-style-type: none"> <li>• MDM Service Implemented</li> <li>• Increase of # of devices enrolled</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Workforce mobility roadmap developed with Ministry engagement</li> <li>• Establish an employee satisfaction baseline with MDM Service</li> <li>• Implement work/personal segregation capability on mobile devices.</li> </ul>
2.4.2	explore cloud-based, productivity software for all government staff	<ul style="list-style-type: none"> <li>• <del>— analysis complete</del></li> <li>• Adoption of next generation office services</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis completed on up to three cloud-based productivity tools</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Privacy compliance</li> <li>• Business case and mandate for deployment across government</li> </ul>
2.4.3	Make more collaboration tools, like video conferencing, voice over IP, team project management available to government staff	<ul style="list-style-type: none"> <li>• employee satisfaction</li> <li>• % legacy voice lines transitioned</li> </ul>	<ul style="list-style-type: none"> <li>• 5,000 users/lines migrated to UC</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Migration of 8000 users/lines from legacy voice systems to unified communications and/or cellular options</li> <li>• Complete cross-ministry survey</li> </ul>
2.4.4	Identify and empower our leaders of tomorrow by engaging OCIO staff to develop a training plan to support the implementation of this strategy.	<ul style="list-style-type: none"> <li>• <del>— documented plan developed</del></li> <li>• # training sessions and/or education activities</li> </ul>	<ul style="list-style-type: none"> <li>• Training plan developed</li> </ul>	90%	<ul style="list-style-type: none"> <li>• Communicate training plan</li> <li>• 10 education activities</li> </ul>
		<p>• <i>Note: Substantively all of the Y1 targets that the related commitments reported on 97</i></p>			

	Commitment	Measures	Y1 Targets	%	Y2 Targets
3.1.1	Implement a cloud-based IT Service Management System (ITSM) to improve planning, delivery, operations and control of IT services offered to ministries.	<ul style="list-style-type: none"> <li>▲ # branches using ITSM tools</li> <li>• improved access to information</li> <li>• user satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Implement problem mgmt.</li> <li>• Implement knowledge mgmt.</li> <li>• Implement IT Service Mgt Forum</li> </ul>	85%	<ul style="list-style-type: none"> <li>• Re-implement problem management</li> <li>• Re-implement knowledge management</li> <li>• Re-implement incident management</li> <li>• Re-implement configuration management</li> </ul>
3.1.2	Use modern analytics to predict which workstations and laptop devices may be having performance issues and security vulnerabilities.	<ul style="list-style-type: none"> <li>• % increase in proactive problem resolution</li> <li>▲ % # of vulnerabilities remediated-identified through analytics</li> </ul>	<ul style="list-style-type: none"> <li>• Software implemented</li> <li>• Data collected &amp; initiation of analytics services</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Implement proactive problem prevention based on analytics &amp; reporting</li> <li>• Baseline &amp; report on the number of vulnerabilities identified through analytics software</li> </ul>
3.2.1	Launch a Government Security Operations Centre (SOC) to pro-actively monitor for advanced digital threats.	<ul style="list-style-type: none"> <li>• % availability of security infrastructure</li> <li>• % success in responding to cybersecurity threats</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of Security Operations Centre</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Availability of security infrastructure: 99.5%</li> </ul>
3.2.2	Implementing solutions that augment protection against security threats to network, data and endpoints.	<ul style="list-style-type: none"> <li>• # enrolled in Digital Certificate Service</li> <li>• # of security solutions implemented to mitigate risk</li> <li>▲ % of ministries implementing data security classification</li> </ul>	<ul style="list-style-type: none"> <li>• Digital Certificate Service launch</li> <li>• Secure Internet Service launch</li> <li>• Vulnerability Mgt Program launch</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Digital certificate launch to 8000 users</li> <li>• Implement border hardening</li> <li>• Implement Network Visibility (Deep packet inspection)</li> <li>• Implement multi-factor authentication</li> <li>• Establish defensible security for public sector organizations program</li> </ul>
3.2.3	Implementing solutions that augment protection against security threats to network, data and endpoints.	<ul style="list-style-type: none"> <li>• % government mobile devices enrolled</li> </ul>	<ul style="list-style-type: none"> <li>• MDM Service Implemented</li> <li>• Increase of # of devices enrolled</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Moving forward, report for this commitment will be captured in 2.4.1</li> </ul>
3.3.1	Ensure compliance of the OCIO's mission and business critical systems with the critical systems standard, and supporting compliance government-wide.	<ul style="list-style-type: none"> <li>• compliance to standard</li> </ul>	<ul style="list-style-type: none"> <li>• Publish Critical Systems Standard V2</li> </ul>	60%	<ul style="list-style-type: none"> <li>• Baseline compliance to standard</li> <li>• Increase awareness among business owners on risk of non-compliance</li> </ul>
3.3.2	Continue to implement the next generation "Converged Edge" network to improve performance, security and interoperability.	<ul style="list-style-type: none"> <li>• 100% completion</li> </ul>	<ul style="list-style-type: none"> <li>• Converged Edge (CE) network 70%</li> </ul>	100%	<ul style="list-style-type: none"> <li>• 100% of government offices transitioned to CE network.</li> </ul>
3.4.1	Implement a portfolio management practice.	<ul style="list-style-type: none"> <li>• # strategic projects with successful outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Portfolio management practice established</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Innovation funding identified and tracked</li> <li>• OCIO Strategy program adjustments</li> <li>• Project Management Framework Developed</li> </ul>
		<ul style="list-style-type: none"> <li>• <i>Note: strike through text indicates that measure and measure was added in 2019</i></li> </ul>			

# APPENDIX A: MAXIMIZE VALUE - MEASURES AND TARGETS

	Commitment	Measure	Y1 Targets	%	Y2 Targets
4.1.1	Manage the processes and oversight required by the IM/IT Capital Process	<ul style="list-style-type: none"> <li><del>• % envelope allocated</del></li> <li>• % of Ministry concept cases and business cases processed using the Value Framework</li> </ul>	<ul style="list-style-type: none"> <li>• CS5 Value framework developed</li> <li>• Prioritization with Government Wide Consultation</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Use framework to evaluate 90% + of incoming concept and business cases</li> </ul>
4.1.2	Establish processes to ensure Strategic Investment Fund (SIF) projects align with government priorities.	<ul style="list-style-type: none"> <li><del>• # new services</del></li> <li>• # SIF projects implemented</li> </ul>	<ul style="list-style-type: none"> <li>• Processes established to identify priority SIF projects</li> <li>• SIF Projects identified</li> </ul>	100%	<ul style="list-style-type: none"> <li>• 2 new projects implemented</li> </ul>
4.2.1	Implement corporate IT asset and investment management software with supporting processes.	<ul style="list-style-type: none"> <li>• # assets linked to investments</li> <li><del>• ratio of assets retired to new assets</del></li> <li>• % of complete data within the asset registry</li> <li>• % of critical systems in the asset registry</li> </ul>	<ul style="list-style-type: none"> <li>• New Asset Management system developed to replace manual Application Health Check</li> </ul>	100%	<ul style="list-style-type: none"> <li>• Baseline # assets linked to investments</li> <li>• Baseline percentage of complete data within the system</li> <li>• 95% of critical systems in the asset registry system</li> </ul>
4.2.2	Review corporate software agreements to reduce costs, improve services and optimize value	<ul style="list-style-type: none"> <li><del>• # material changes driving value for money</del></li> <li>• # contracts modernized for government</li> </ul>	<ul style="list-style-type: none"> <li>• CSA inventory review and analysis</li> <li>• Development of 18 month business plan for corporate software</li> </ul>	100%	<ul style="list-style-type: none"> <li>• 2 large-sized enterprise government contracts modernized.</li> </ul>
4.2.3	Encourage and guiding the responsible use of cloud services	<ul style="list-style-type: none"> <li><del>• suitable IT services using cloud</del></li> <li>• User satisfaction with resources available to support cloud adoption</li> </ul>	<ul style="list-style-type: none"> <li>• Cloud suitability incorporated into IM/IT procurement and IM/IT capital business cases</li> </ul>	75%	<ul style="list-style-type: none"> <li>• Creation of a playbook for cloud adoption and publish for Ministry use</li> <li>• Baseline user satisfaction</li> </ul>
4.3.1	Provide guidance to standardize common business capabilities (e.g. booking an appointment, making a payment, notifying customers of status that can be used by multiple ministries ("build once, use many times").	<ul style="list-style-type: none"> <li>• Use of registry for common services</li> <li><del>• Services registry created</del></li> </ul>	<ul style="list-style-type: none"> <li>• Ministry engagement to prioritize for common reusable services</li> <li>• prototype one service</li> <li>• EBA 2.0 draft &amp; identify common services</li> </ul>	80%	<ul style="list-style-type: none"> <li>• Development of an API registry</li> <li>• Creation of a registry of corporate services</li> </ul>
4.4.1	Gather data about OCIO services for analytics use by modernizing and automating business processes.	<ul style="list-style-type: none"> <li>• # clients and OCIO staff trained on use of dashboard and analytics</li> <li><del>• Reports used for decisions</del></li> </ul>	<ul style="list-style-type: none"> <li>• MySC dashboard</li> <li>• MySC analytics capabilities</li> </ul>	30%	<ul style="list-style-type: none"> <li>• Re-implement dashboard</li> </ul>

• *Notes: Still developing at time of reporting, thus the inclusion of these items is provided for info.*

## **IT SECURITY Technology Solutions**

### **Lead Executive**

Ian Donaldson, Acting Assistant Deputy Minister

### **Background**

- Cyberattacks are increasing in frequency and are more sophisticated and targeted than ever.
- No organization globally is immune to attack.
- Security is not just an IT problem, it is business enterprise risk.
- Security is an issue of key importance to leaders globally and a recurring agenda item for boards of directors.
- Global annual cybercrime will cost the world in excess of \$6 trillion annually by 2021 (an increase from \$400 billion in early 2015).
- Global spending on cybersecurity defence is projected to exceed \$1 trillion over the next 5 years.
- The United States has declared a national emergency to deal with the cyber threat.
- The global shortage of cybersecurity professionals is expected to reach 2 million by 2019.
- In Canada the shortage of professionals is expected to be close to 65,000.

### **Current Context**

- Protection of government data and networks is a priority for the Office of the Chief Information Officer (OCIO) especially where it concerns British Columbians' personal information.
- Each year government upgrades security to increase protection for employees and citizens from frequent threats including malicious emails, websites, and other threats.
- The OCIO is committed to strong privacy and security controls and to increasing awareness of best practices for information technology overall.
- The OCIO and every ministry have dedicated staff to monitor and respond to security issues.
- Individual ministries have responsibility for day-to-day security in their respective areas; the OCIO sets the protocols and standards for IT security across government.
- Over \$25 million is spent on IT security across government every year.
- The OCIO is constantly evaluating potential threats, with systems monitoring 24 hours per day, seven days a week.
- The OCIO thwarts millions of attacks, including intrusion attempts every day, as well as intercepting over 100 million spam, phishing and malware emails annually.
- 41 OCIO employees are dedicated to protecting government systems from intrusions and security risks with additional security staff residing in ministries.

### **Major Activities in 2017/18**

s.13,s.17

s.13,s.17

### **Key Decisions in 2017/18**

s.12

**ALTERNATIVE SERVICE DELIVERY AND STRATEGIC PARTNERSHIPS OFFICE**  
**Technology, Innovation, Procurement and Supply**

**Lead Executive**

David Morel, Assistant Deputy Minister

**Background**

In 2003 the BC government introduced the Alternative Service Delivery Strategy. The key objectives were:

- Maintain or enhance service levels
- Reduce operational and capital costs
- Transfer operational risk to service providers

In most instances, existing workers were transferred to the new service provider with same salary and benefits.

There are currently 12 outsourced contracts valued at \$7.2 billion (\$10M+ in annual spend per contract). Most of these contracts expire in the next few years. However, it takes two to three years to plan for and implement replacement or major changes in the agreements. Two contracts, workstation support for health authorities and core government, have been posted on BC Bid and companies are entering the evaluation stage. A third, facilities management, is close to issuing a negotiated request for proposal. Background on each agreement is attached.

The Strategic Partnerships Office was created in 2012, to take overall responsibility for policy and governance over these strategic high-value contracts across all of the BC Government. SPO oversees strategic alternate service delivery (ASD) and other high-value deals through the deal lifecycle to ensure the Province's strategic interests are met, including approval and sign-off of key documents prior to approval.



## Key Alternative Service Deliver Projects

### Workplace Support Services

**Description:** Delivers a complete end-to-end service for workplace support for all workstation users within government.

**Current Contract Value:** \$537M

**Expires:** March 2018

**Current Status:** s.13

s.13

### Facilities Management

**Description:** Property management of the Province's real estate portfolio, along with asset maintenance, project management services, and environmental /pollution prevention and technical value services.

**Vendor:** Brookfield GIS Workplace Solutions Inc.

**Current Contract Value:** \$2.5B

**Expires:** March 2019

**Current Status:** s.13

s.13

### Health Insurance BC

**Description:** Contract delivers management of Health Insurance BC registration and claims processing functions, including transformation of business process and technology.

**Vendor:** Maximus Canada

**Current Contract Value:** \$790M

**Expires:** March 2020

**Current Status:** s.13

s.13

### Human Resource Management System

**Description:** Payroll and benefit services, contact centre and application management/application development.

**Vendor:** TELUS

**Current Contract Value:** \$242M

**Expires:** November 2019

**Current Status:** s.13

s.13

### Hosting

**Description:** Managed hosting services, provides clients an environment that is sized and configured to run their business applications and data centre services, provides secure and reliable locations for clients to situate their equipment.

**Vendor:** ESIT Advanced Solutions (formerly HPAS)

**Current Contract Value:** \$870M

**Expires:** March 2021/24

**Current Status:** s.13

s.13

Revenue Management Services

**Description:** Integrated and streamlined business and systems environment focused primarily on the consolidation of non-tax revenue management functions across government.

**Vendor:** HPAS

**Current Contract Value:** \$1B

**Expires:** March 2020

**Current Status:** s.13

s.13

Telecommunication Service Master Agreement

**Description:** Provide delivery of a broad range of telecommunications services including long distance, conferencing, cellular, and voice and data network services.

**Vendor:** TELUS

**Current Contract Value:** \$1.1B

**Expires:** March 2021

**Current Status:** s.13

Service BC

**Description:** Management and operation of Service BC's contact centre and portal environments, as well as various projects to improve service delivery such as the development of a channel management strategy to provide the framework for integration efforts within and across Service BC's service channels.

**Vendor:** Maximus Canada

**Current Contract Value:** \$14.1M

**Expires:** January 2022

**Current Status:** s.13

s.13

Integrated Case Management

**Description:** Case management software, maintenance services and related consulting services for use by the Ministry of Social Development and Social Innovation (SDSI), the Ministry of Children and Family Development (MCFD).

**Vendor:** Deloitte

**Current Contract Value:** \$67M current contract value based on Operations mode.

**Expires:** February, 2020

**Current Status:** s.13

My Education BC

**Description:** The My Education BC deal provides application hosting and support services for student information.

**Vendor:** Fujitsu

**Current Contract Value:** \$107M

**Expires:** March 31, 2025

**Current Status:** s.13

## **SERVICES TO BUSINESSES**

### **Service BC Division, BC Registries and Online Services**

#### **Lead Executive**

Beverly Dicks, ADM Service BC Division

#### **Background**

BC Registries and Online Services provides administration and management of the Corporate Registry, Personal Property Registry, Manufactured Homes Registry and OneStop Business Registry. BC Online is a digital service delivery channel, and provides online access to government programs such as the Corporate Registry, Personal Property Registry, Manufactured Home Registry, and Wills Registry. BC Registries and Online Services is governed by 10 related statutes and acts, including the Business Corporations Act and the Personal Property and Security Act. Services to business satisfaction is regularly measured, and the 2017 survey indicates 89% overall satisfaction.

#### **Current Context**

Taking a systematic and holistic approach toward service management and delivery, Service BC is actively modernizing service delivery to citizens and businesses. With rising public expectations and increasingly complex issues, government programs are shifting away from the traditional line of business service approach and adopting a comprehensive service delivery model. Today, citizens and businesses demand that governments deliver their products and services on par with the private sector. They expect simple, consistent and personalized service experiences through a blended choice of accessible digital, mobile, telephone and in-person services. For BC Registries, a pan Canadian lens is also required to support trade, investment and labour mobility and to remove barriers and expand trade within and between provinces.

#### **Major Activities in 2017/18**

- **Improving Online Services:** The current mandate from the Office of the Chief Information Officer (OCIO) is to move all mainframe-based applications onto a new platform. A number of Registry applications must be replaced including the Personal Property Registry, Manufactured Home Registry, COBRs (for Co-operatives and Names examining) and BC Online. This provides the opportunity to upgrade existing functionality and improve the online service experience for businesses and citizens.
- **Business Number Program Expansion:** The Business Number is owned and managed by the Canada Revenue Agency (CRA), and aims to establish a single business identifier for all federal departments and provincial and territorial partners that would support all business service transactions. While this program is not mandatory, BC has recognized the value and has been a long-term partner with CRA. This year, in addition to existing partner programs, BC Registries will support the Natural Resource Sector's permitting program to onboard.
- **Digital Identity:** The Digital Identity and Authentication Council of Canada (DIACC) is a non-profit community of public and private organizations whose work has focused on the digital identity for individuals, organizations and those individuals that represent an organization.

Service BC and the OCIO are engaged to connect the knowledge and expertise of personal identity management with corporate identity management, supporting the trusted and verifiable digital relationships needed to drive the digital economy.

- **Harmonizing Corporate Registries:** At the 55th Annual Council of the Federation Conference, the Premiers agreed to continue to strengthen and modernize the Agreement on Internal Trade with efforts focused on barriers to extra-provincial business registrations. Work is underway with the federal government leading the development of a Multi-Registry Access Service pilot project. BC has volunteered to be one of the participants in the pilot. The development of the pilot will begin over the summer 2017.
- **New West Partnership Trade Agreement:** The NWPTA was signed by the Premiers of British Columbia, Alberta, and Saskatchewan on September 11, 2009. Article 11 of the NWPTA required the three jurisdictions reconcile their corporate registration and reporting requirements. Recently, the Manitoba government was added as a signatory on to the NWPTA with an effective date of January 1, 2020. The existing NWPTA arrangement for corporate registrations is not scalable to add another jurisdiction, so the four jurisdictions are exploring potential options. Based on preliminary analysis, the Harmonization initiative (noted above) may be a solution. As a result, the NWPTA partners are fully engaged in the Harmonization discussions.
- **Beneficial Ownership:** As recently highlighted by the Panama Papers and Bahamas leaks, corporate entities and trusts can be misused for illicit purposes. At the June 2016 Federal-Provincial-Territorial Tax Committee meeting, an agreement was made to create a working group across Canada to collaborate to address the misuse of corporate entities. The initial issues for consideration by the working group include transparency and beneficial ownership. BC Registries is working with the Policy and Legislation and Tax Policy branches of the Ministry of Finance in support of this initiative.

### Key Decisions in 2017/18

n/a

## **SERVICES TO CITIZENS**

### **Service BC Division, Service Delivery Branch**

#### **Lead Executive**

Beverly Dicks, Assistant Deputy Minister

#### **Background**

Service BC Division is government's chief provider of general advice and transactional services to citizens. Over 400 services are provided for more than three dozen partner ministries and agencies. These services range from accepting payment of government taxes and fees through helping citizens obtain marriage certificates, hunting licences, government-issued ID, driver's licences and health insurance. Services are provided predominantly in-person and over the phone. Assisted self-service is also provided for online applications and programs. Over 300 staff members are located in 62 geographically-dispersed Service BC Centres and a province-wide Contact Centre. The Contact Centre handles over 800,000 inquiries annually, with in-person offices processing over 1,000,000 transactions annually. Citizen satisfaction is regularly measured, and the 2017 survey indicates 97% overall satisfaction.

#### **Current Context**

Taking a systematic, holistic approach toward service management and delivery, Service BC is actively modernizing service delivery to citizens and businesses. With rising public expectations and increasingly complex issues, government programs are shifting away from the traditional line of business service approach and adopting a comprehensive approach designed to address citizen service expectations (online self-service with assistance when required, one-stop-shop, first call resolution, etc.). This is achieved by working across ministry boundaries to simplify, modernize and streamline the service experience for citizens and businesses.

The in-person service model is based on three distinct service types defined with our cross government ministry partners: informational; transactional; and complex. Service BC's network of locations across the province and trained service professionals are the first point of contact delivering informational and transactional services for our government partners. Complex services that require in-depth program expertise and knowledge or case management functions are escalated by Service BC staff to the program area for resolution. Providing the informational and transactional services and helping citizens shift to online service applications, enables ministry subject matter experts to be more effective and efficient managing their caseloads and complex service issues. In 62 communities across the province, Service BC enables a "no wrong door" approach for the full range of government services.

The Service BC Contact Centre is currently provisioned through IBM Canada and responds to BC government related telephone enquiries. By calling a single toll free number, citizens and businesses have access to a wide range of information about government programs and services and can be referred to the necessary contacts to explore and resolve service issues. MAXIMUS Canada will take over Contact Centre operations on June 26, with a new mandate to support contact center consolidation across government and introduce modern contact centre technology, providing citizens

with multi-channel and self-service options such as interactive voice response, web text, chat and video chat.

The March 2017 Customer Satisfaction Survey indicated an overall level of satisfaction in our Service BC Centres was 97%.

**Major Activities in 2017/18**

June 26, 2017: s.13

May 2017 – April 2018:

May 2017 – April 2018:

July 2017:

**Key Decisions in 2017/18**

n/a

## LEGISLATION

**Legislative Priorities:** None at this time

**A. Enactments for which MTICS has legislative responsibility and is the program owner**

<b>Act Name</b>	<b>Description</b>	<b>Owner</b>
<b>BC Online Act</b>	Provides powers to the operator of BC Online respecting retention and remittance of monies to the government.	BC Online Partnership Office, Service BC
<b>British Columbia Innovation Council</b>	Establishes the BC Innovation Council and sets out the Council's objectives, powers and functions.	Strategic Initiatives and Partnerships Division
<b>Business Number Act</b>	Allows British Columbia to enter into a Memorandum of Understanding with the Canada Revenue Agency for the purpose of integrated and joint Business Number Registration purposes. The Business Number is used as a common identifier of businesses across multiple program areas within the public sector.	BC Registry Services, Service BC
<b>Electronic Transactions Act</b>	Describes how electronic documents can satisfy legal requirements that were traditionally met through use of paper documents.	Strategic Planning and Policy branch. OICO
<b>Government Buildings Act</b>	Permits regulations to be made permitting, regulating or prohibiting public use of the grounds surrounding a government building, highway or public work belonging to the government.	Real Property Division, Shared Services BC
<b>Knowledge Network Corporation Act</b>	Establishes the Knowledge Network as a corporation and sets out the duties and powers and functions of the corporation and its board.	Associate Deputy Minister Citizens' Services
<b>Procurement Services Act</b>	Enables and assists in the disposal of personal property and the procurement of personal and intangible property for the government, government organizations, local public bodies and participating jurisdictions. Also enables government contracts respecting the construction of buildings and other works and assists government organizations, local public bodies and participating jurisdictions in contracting for services as well as directs the establishment, maintenance and operation of depots and warehouses.	Procurement and Supply Services, Shared Services BC
<b>Public Agency</b>	Sets out requirements for the acquisition, disposal	Real Property



Act Name	Description	Owner
<b>Accommodation Act</b>	and transfer of land administered by a public agency in the province. Public agencies include the government of B.C., government of Canada, a local government, the Legislative Assembly, a government body within the meaning of the Financial Administration Act, or any other entity designated as a public agency for the purposes of this Act by a directive of Treasury Board.	Division, Shared Services BC
<b>Provincial Capital Commission Dissolution Act</b>		
<b>Queen's Printer Act</b>	Sets out the powers and duties assigned to the Queens Printer respecting the printing, binding and stationary offices of the ministry.	Procurement and Supply Services, Shared Services BC
<b>Statistics Act</b>	Establishes the mandate and responsibilities for the provincial statistics bureau.	BC Statistics, Service BC

#### B. Enactments for which MTICS is not the responsible entity but has a role as described

Act Name	Description	Responsible Entity
<b>Legislative Assembly Management Committee Act</b>	Permits the continuance of the Legislative Assembly Management Committee and sets out the duties and powers of the committee and the Speaker.	Legislative Assembly <i>While amendments to this legislation would generally be identified / initiated by legislative officials ( and on occasion the Ministry of Justice), MTICS is responsible for leading and facilitating the legislative change and the general maintenance of the Act, by providing legislative support including preparing associated research, legislative analysis and documents .</i>
<b>Legislative Assembly Privilege Act</b>	Provides the Legislative Assembly and its committees and members privileges, immunities and powers, e.g., the right to issue a warrant or subpoena requiring a person to attend before the Assembly or committee.	Legislative Assembly <i>While amendments to this legislation would generally be identified / initiated by legislative officials ( and on occasion the Ministry of Justice), MTICS is responsible for leading and facilitating the legislative change and the general maintenance of the Act, by providing legislative support including preparing associated research,</i>

Act Name	Description	Responsible Entity
		<i>legislative analysis and documents</i>
<b>Legislative Library Act</b>	Permits the establishment of a legislative library and sets out requirements on the library and duties of the librarian.	Legislative Assembly <i>While amendments to this legislation would generally be identified / initiated by legislative officials ( and on occasion the Ministry of Justice), MTICS is responsible for leading and facilitating the legislative change and the general maintenance of the Act, by providing legislative support including preparing associated research, legislative analysis and documents</i>
<b>Legislative Procedure Review Act</b>	Appoints the Speaker of the Legislative Assembly as special commissioner to investigate, inquire into and make recommendations to the Legislative Assembly respecting parliamentary procedure.	Legislative Assembly <i>While amendments to this legislation would generally be identified / initiated by legislative officials ( and on occasion the Ministry of Justice), MTICS is responsible for leading and facilitating the legislative change and the general maintenance of the Act, by providing legislative support including preparing associated research, legislative analysis and documents</i>
<b>Members' Remuneration and Pensions Act</b>	Sets out rules for compensating members of the Legislative Assembly.	Legislative Assembly <i>While amendments to this legislation would generally be identified / initiated by legislative officials ( and on occasion the Ministry of Justice), MTICS is responsible for leading and facilitating the legislative change and the general maintenance of the Act, by providing legislative support including preparing associated research, legislative analysis and documents</i>

### C. Enactments for which another Ministry has partial/primary legislative responsibility

Act Name	Description	Ministry with which responsibility is shared	MTICS Responsibilities	Responsible Program Area Within MTICS
<b>Business Corporations Act</b>	Sets out requirements for businesses to incorporate and do	Finance	The Act as it relates to the establishment and operation of the	BC Registry Services, Service BC

<b>Act Name</b>	<b>Description</b>	<b>Ministry with which responsibility is shared</b>	<b>MTICS Responsibilities</b>	<b>Responsible Program Area Within MTICS</b>
	business in the province.		Corporate Registry.	
<b>Cooperative Association Act</b>	Sets out requirements for co-operative associations to incorporate and do business in the province.	Finance	The Act as it relates to the establishment and operation of the Corporate Registry.	BC Registry Services, Service BC
<b>Credit Union Incorporation Act</b>	Sets out requirements for credit unions to incorporate and do business in the province.	Finance	The Act as it relates to the establishment and operation of the Corporate Registry.	BC Registry Services, Service BC
<b>Financial Institutions Act</b>	Sets out requirements on trust, deposit and insurance businesses carrying out business in the province.	Finance	The Act as it relates to the establishment and operation of the Corporate Registry.	BC Registry Services, Service BC
<b>Insurance (Captive Company) Act</b>	Sets out requirements on registering captive insurance companies carrying out business in the province. A captive insurance company is a wholly-owned subsidiary that insures the operations of its parent company.	Finance	The Act as it relates to the establishment and operation of the Corporate Registry.	BC Registry Services, Service BC
<b>Mutual Fire Insurance Companies Act</b>	Permits the establishment and incorporation of the mutual fire insurance companies and sets out powers and functions of the company and its director. Mutual fire insurance companies are composed of 30 or	Finance	The Act as it relates to the establishment and operation of the Corporate Registry.	BC Registry Services, Service BC

<b>Act Name</b>	<b>Description</b>	<b>Ministry with which responsibility is shared</b>	<b>MTICS Responsibilities</b>	<b>Responsible Program Area Within MTICS</b>
	more persons who have insurable interest in rural property exposed to damage by fire.			
<b>Partnership Act</b>	Sets out requirements on for-profit partnerships established in the province.	Finance	The Act as it relates to the establishment and operation of the Corporate Registry.	BC Registry Services, Service BC
<b>Pension Fund Societies Act</b>	Permits the establishment of a pension fund society by a corporation created in British Columbia; sets requirements on and sets out powers and functions of the society. A pension fund society administers a pension fund.	Finance	The Act as it relates to the establishment and operation of the Corporate Registry.	BC Registry Services, Service BC
<b>Societies Act</b>	Permits the incorporation of a society for any lawful purpose or other purposes such as national, patriotic, religious, philanthropic, or other purposes; sets requirements on and sets out powers and functions of the society.	Finance	The Act as it relates to the establishment and operation of the Corporate Registry.	BC Registry Services, Service BC
<b>Manufactured Home Act</b>	Sets requirements for registering and transferring ownership	Finance	The Act as it relates to the establishment and operation of the	BC Registry Services, Service BC

<b>Act Name</b>	<b>Description</b>	<b>Ministry with which responsibility is shared</b>	<b>MTICS Responsibilities</b>	<b>Responsible Program Area Within MTICS</b>
	of a manufactured home.		Manufactured Home Registry.	
<b>Personal Property Security Act</b>	Sets requirements for the creation and registration of security interests in personal property in the province. A security interest is a legal claim on collateral.	Finance	The Act as it relates to the establishment and operation of the Personal Property Registry.	BC Registry Services, Service BC
<b>Repairers Lien Act</b>	Sets requirements for obtaining, renewing, and discharging liens on a motor vehicle, aircraft, boat or outboard motor by a garage keeper.	Finance	The Act as it relates to the establishment and operation of the Personal Property Registry.	BC Registry Services, Service BC
<b>Miscellaneous Registrations Act</b>	Sets requirements for registering a claim respecting personal property in the personal property registry established under the Personal Property Security Act.	Finance	The Act as it relates to the establishment or operation of the Personal Property Registry.	BC Registry Services, Service BC
<b>Ministry of Provincial Secretary and Government Services Act</b>	Establishes the Ministry of Provincial Secretary and Government Services and sets out powers, duties, and functions of the Provincial Secretary.	Justice	Sections respecting the establishment of the ministry and the minister's authority to preside over it; the responsibility of the minister to keep registers of the province and its government; and the appointment of staff.	Deputy Minister's Office

## **NAMING PRIVILEGES POLICY**

### **Technology, Innovation, Procurement and Supply**

#### **Lead Executive**

David Morel, Assistant Deputy Minister

#### **Background**

The Naming Privileges Policy, a copy of which is attached as Appendix 1, governs the naming of physical assets in recognition of financial or in-kind contributions. The policy applies to all government ministries and government bodies as defined in the *Financial Administration Act*. Government bodies include hospitals and health authorities, Crown corporations, colleges and universities. The policy ensures a consistent framework so that naming privileges are granted to benefactors in a fair and equitable manner across government.

Since the implementation of the policy in 2006, over 830 naming opportunities have been received by IPP for government approval. Of these requests, 808 were approved, and 4 opportunities were denied, with approved naming opportunities representing \$698,674,123 in financial contributions. In 2016/17, IPP received 165 naming opportunities for approval. The majority of the naming opportunities have been submitted by entities in the broader public sector, primarily from health care and post-secondary institutions.

The **Intellectual Property Program** (IPP) is the point of contact for all naming recognition opportunities. The IPP is responsible for the general administration of the policy, including facilitating the review and approval of received naming requests by an appointed Naming Committee and Cabinet. The IPP is also responsible for preparing reports including the Naming Committee annual report, and for conducting reviews of the policy with stakeholders.

The **Minister of MTICS** appointed the original Naming Committee under the policy. The Minister may also approve the appointment of two ad hoc, non-voting members from a ministry or public body submitting an opportunity to the Naming Committee for the purpose of assisting the review of the particular opportunity with which they are involved.

The **Naming Committee** is comprised of senior civil servants from several ministries and has responsibility under the policy to review all naming opportunities submitted to government. The Naming Committee approves all naming requests unless the Naming Committee determines that one or more of the criteria in section 4.6 of the policy applies. In the event that one or more of these criteria apply, the naming opportunity is submitted to **Cabinet** for decision.

#### **Major Activities in 2017/18**

s.13

s.13

June - Naming Committee Report (Annual):

Under current policy, the Naming Committee<sup>s.12</sup>  
s.12

s.12

*Appendix 1 – Naming Privileges Policy*



**Naming Privileges Policy**

**1. Purpose**

- 1.1 This policy governs the naming of physical assets in recognition of financial or in-kind contributions from individuals, businesses, organizations and others.
- 1.2 This policy ensures a consistent framework across government ministries and government bodies, and ensures that naming recognition is granted to benefactors in a fair and equitable manner.
- 1.3 All naming recognition shall be consistent with the government's values and objectives, and must uphold the integrity and reputation of the government.

**2. Scope**

- 2.1 This policy applies to all government ministries and government bodies as defined in the *Financial Administration Act*.
- 2.2 Naming recognition may be granted for the naming of buildings and other physical assets including, but not limited to, wings, rooms, laboratories, roads and other transportation infrastructure, recreational areas and other public spaces, collections of books or art, and equipment of significant value.
- 2.3 An asset may be named in its entirety or portions of an asset may be named to reflect contributions made by different naming benefactors.
- 2.4 In the case of a building or other physical facility, the entire structure or discrete and functional portions of the structure may be considered for naming recognition.

**3. General**

- 3.1 An offer of financial or in-kind contribution does not guarantee that naming recognition will be granted. Each opportunity for naming recognition must be considered on its merits.
- 3.2 Government bodies will bring their policy for naming recognition into alignment with this policy.



- 3.3 Government ministries and government bodies must ensure the financial contribution received in exchange for naming recognition is commensurate with the size, location and visibility of the asset.

#### **4. Approval**

- 4.1 Government ministries and government bodies that become aware of an opportunity for naming recognition must submit a Naming Opportunity Request Form, attached as Appendix A, to the Intellectual Property Program within the Ministry of Technology, Innovation and Citizens' Services.
- 4.2 Opportunities for naming recognition must be approved by government prior to any public announcement concerning naming recognition.
- 4.3 A Naming Committee identified by the Minister of Technology, Innovation and Citizens' Services will review all opportunities for naming recognition.
- 4.4 The Minister of Technology, Innovation and Citizens' Services may approve the appointment of up to two ad hoc, non-voting members from the ministry or public body submitting the opportunity to the Naming Committee. Ad hoc members are not regular members and will sit on the Naming Committee only for the particular opportunity with which they are involved.
- 4.5 The Naming Committee will exercise decision-making authority for opportunities for naming recognition unless, in the opinion of the Naming Committee, one or more of the criteria identified in section 4.6 applies.
- 4.6 Cabinet will exercise decision-making authority for opportunities for naming recognition if, in the opinion of the Naming Committee, one or more of the following criteria apply:
- (a) the size or visibility of the asset is of particular significance;
  - (b) the value of the contribution is greater than five million dollars;
  - (c) the asset is or will likely be the object of media attention, or is otherwise in the public eye;
  - (d) the proposed name is inconsistent with the government's values and objectives; or
  - (e) the proposed name is likely to harm the integrity and reputation of the government.
- 4.7 The Naming Committee will provide cabinet with a report at least annually on all opportunities for naming recognition.

#### **5. Approval Criteria**

- 5.1 Where the opportunity for naming recognition involves a commercial benefactor, the Naming Committee may require the government ministry or government body to offer the naming opportunity through a competitive process.

- 5.2 A proposed opportunity for naming recognition must be appropriate to the purpose or use of the asset and to the target audience. Additional consideration is warranted where the target audience is children, seniors, minority groups, persons with disabilities or First Nations.
- 5.3 The proposed benefactor's history and, if applicable, business activities should be appropriate to the specific opportunity for naming recognition.
- 5.4 If the opportunity for naming recognition is to replace an existing name, consideration should be given to the history or legacy of the current name and whether the existing name might be incorporated into the proposed new name.

## **6. Restrictions**

- 6.1 The government will not approve an opportunity for naming recognition:
  - (a) that may be inconsistent with government's legal obligations;
  - (b) that implies the government's endorsement of a partisan political or ideological position or of a commercial product;
  - (c) that involves naming an asset after an elected official who is currently in office;
  - (d) that results in an employee of a public sector body, or an elected official, receiving any benefit or personal gain;
  - (e) that results in naming an asset after a public sector body;
  - (f) that conveys a message that might be deemed prejudicial to race, religion, gender or sexual orientation;
  - (g) that presents demeaning or derogatory portrayals of communities or groups or, in light of generally prevailing community standards, could reasonably be expected to cause offence to a community or group;
  - (h) that promotes alcohol or other addictive substances at venues geared primarily to children; or
  - (i) that involves an individual, business or organization whose products or services include the sale of:
    - (i) sexually explicit materials; or
    - (ii) illegal products or substances.

## **7. Signs and Naming Devices**

- 7.1 Signage or other naming devices associated with naming recognition must not impact the quality and integrity of the associated properties, buildings or land and must not provide any added risks to safety.
- 7.2 A name may only be given to one asset in recognition of a contribution, but a benefactor name may be displayed on more than one sign or naming device associated with the designated asset.

- 7.3 The government is under no obligation to create new or alter existing maps, signage or other similar naming devices when an opportunity for naming recognition is approved or terminated.

## **8. Naming Recognition Agreements**

- 8.1 All agreements with benefactors for naming recognition must be in writing.
- 8.2 A copy of all agreements for naming recognition must be maintained in a central repository located within the Intellectual Property Program.
- 8.3 All agreements for naming recognition must specify the term of the agreement.
- 8.4 The government may, upon giving written notice to the government ministry or government body, require termination of an agreement for naming recognition where, in the opinion of the Naming Committee or cabinet, any action or association by the naming benefactor calls into serious question the integrity and reputation of the government.

## **9. Continuation, Change or Transfer of Naming Recognition**

- 9.1 Any discontinuation, transfer or change to the name of an asset will require government approval.

Intellectual Property Program  
Ministry of Technology, Innovation and Citizens' Services  
Province of British Columbia  
Tel: 250 216-5903  
Fax: 250 356-6036

[www.gov.bc.ca/NamingPrivileges](http://www.gov.bc.ca/NamingPrivileges)

## BRITISH COLUMBIA INNOVATION COUNCIL

### Mandate:

- Advance the commercialization of innovative technology in BC through the implementation, administration and funding of programs, and the organization and management of projects and initiatives that serve to further the growth and success of BC technology companies;
- Facilitate partnerships between industry and academia, and work with partners in industry, academia, government and associations to support entrepreneurship and the development of entrepreneurial talent.
- BCIC is guided by four goals which provide a strong foundation for meeting the legislated mandate and supporting government priorities:
  - Commercializing innovative technology.
  - Developing and enhancing entrepreneurial skills.
  - Focusing resources on entrepreneurs who will build their companies in BC.
  - Engaging BC companies with industry opportunities and targeted growth programs.
- Strategies, performance measures and targets support each goal.

### Governing Legislation:

- *British Columbia Innovation Council Act*
- The Act stipulates that BCIC can consist of no more than 15 directors who may serve for up to three consecutive years.
- In addition to encouraging the development and application of innovative technologies, the Act also requires BCIC to advise on science policy and make funding recommendations.
- BCIC has not identified any legislative priorities at this time.

### Financial Information:

- BC Innovation Council is funded through an annual operating grant of \$6.09 million from the ministry's voted appropriation.
- s.12
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### Programs:

- The organization acts as government's main delivery mechanism supporting the expansion of BC's technology ecosystem. The key programs of the BC

---

Contact: David Morel  
Ministry of Technology, Innovation and Citizens' Services

Phone: 250-514-7655  
Date: May 4, 2017

Innovation Council are:

- *Venture Acceleration Program* – A paid structured venture growth program designed to guide, coach and grow ambitious early-stage technology entrepreneurs and their technology ventures.
  - *BC Acceleration Network* – The Network is formed by 14 partners across the province delivering the Venture Acceleration Program.
  - *Executives in Residence (EIRs)* – Each intake entrepreneur in the program is assigned an experienced professional as their primary advisor. EIRs often act like an active member of the management team, helping entrepreneurs to overcome challenges and meet goals.
- *BCIC Tech Works* – Unites students with valuable training opportunities in BC's technology sector through the BC Innovation Council Innovator Skills Initiative and BC Tech Co-op Grants Program.
- *BCIC-New Ventures Competition* – Provides BC entrepreneurs with the skills to launch and manage a startup through a 10-week business seminar and networking series while competing to win one of several prize packages.
- *BCIC Ignite* – Provides funding to accelerate commercialization of new technologies and innovations in the natural resources and applied sciences in BC, with awards of up to \$300,000 to consortia that are conducting research projects.
- *#BCTECH Summit* – Annual two-day event in Vancouver, co-hosted with the BC Government, that showcases BC's vibrant technology industry, builds cross-sector opportunities for businesses and explores the latest ideas that will drive a competitive advantage for British Columbia and Canada.

**Major Issues:**

- Currently the organization is supported by an Interim President and CEO with a contract expiration of August 2017.
- The 2017/18 budget allocates \$13.5 Million to BCIC for the continuation and expansion of the BC Tech Co-op Grants program and the BC Innovators Skills Initiative.

**Appointment Status:**

- No appointments are required until May 2018.

**Appendixes:**

Appendix A – BCIC Annual Service Plan 2017/18

Appendix B – BCIC Annual Service Plan Report 2015/16

Appendix C – BCIC Mandate Letter

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Contact: David Morel  
Ministry of Technology, Innovation and Citizens' Services

Phone: 250-514-7655  
Date: May 4, 2017

Appendix D – BCIC Board Members and Executive Team  
Appendix E – *British Columbia Innovation Council Act*

# **British Columbia Innovation Council**

## **2017/18 – 2019/20 SERVICE PLAN**

February 2017



For more information on the British Columbia Innovation Council contact:

9th floor - 1188 West Georgia Street  
Vancouver, BC V6E 4A2

**Phone:** 604-683-2724  
**Toll free:** 1-800-665-7222

[info@bcic.ca](mailto:info@bcic.ca)

or visit our website at  
**[www.bctic.ca](http://www.bctic.ca)**



# Accountability Statement

The 2017/18 - 2019/20 BC Innovation Council Service Plan was prepared under the Board's 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 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.

To the best of our knowledge, the significant assumptions, policy decisions, events and identified risks, as of February 1, 2017, have been considered in preparing this plan. The performance measures presented are consistent with the Taxpayer Accountability Principles, BC Innovation Council'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 BC Innovation Council's operating environment, forecast conditions, risk assessment and past performance.



A handwritten signature in black ink, appearing to be 'Derek Lew'.

Derek Lew, Board Chair  
BC Innovation Council

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# Strategic Direction and Context

## Strategic Direction

The British Columbia Innovation Council (BCIC) is our province's lead agency promoting the development and application of advanced or innovative technologies to meet the needs of industry in BC. Our purpose is aligned with that of the BC Jobs Plan, the #BCTECH Strategy and our operations adhere to the Taxpayer Accountability Principles. We see job creation and increased investment in the technology sector as measures of our effectiveness. We develop and implement initiatives that directly support the successful commercialization of technology businesses.

As outlined in our 2017/18 Mandate Letter, we will continue to refine and implement outcome-based metrics including measures of job creation and investment, in order to assess the effectiveness of BC Innovation Council programs and initiatives. These align with Government priorities such as the BC Jobs Plan and #BCTECH Strategy.

## Operating Environment

BC's technology sector, one of the largest contributors to the BC economy, employs more people than mining, forestry, and oil and gas combined. The tech sector also contributes \$13.5 billion to BC's gross domestic product and \$25.8 billion in revenues. Our high standard of living, Pacific location, and educated workforce make us an attractive centre for technology entrepreneurs.

All of this is celebrated at our #BCTECH Summit. The annual, two-day event is a joint initiative between BC Innovation Council and the BC Government and commends all that #BCTECH has to offer.

BC Innovation Council operates with support from its primary funder, the Ministry of Technology, Innovation and Citizens' Services. BC's innovation economy is a long-term opportunity and requires partners at all levels of government, institutions and the private sector to remain committed. For BC Innovation Council's ongoing risks and mitigation plans, see Appendix B. No significant shifts in operations are expected.

There is a need to bring technology innovations to traditional industries including forestry, mining, oil and gas, and agrifoods, as well as clean technology, health and life sciences, digital media and information and communication technologies. By scaling our programs to meet the growing needs of the market, we enhance the entrepreneurial community and encourage the commercialization of technology.

A skilled labour force is required to support the growing technology sector and youth need to be engaged in technology courses and science literacy that will give them the skills to advance. This is a definite need for the province and though we have programs and services in place to support it, there is room for this to grow across BC. Another significant issue is access to capital for small and mid-sized technology companies. Viable new businesses are finding it relatively easy to find individual investors, or 'angels', but this initial support needs to extend beyond the early stages of a company's growth as is the intent of #BCTECH Fund.

# Performance Plan

## Goals, Strategies, Performance Measures and Targets



BC Innovation Council's vision is to create a cohesive, collaborative BC tech community that drives growth across all sectors of BC's economy, producing results that are a model for the world. It does so by acting as an Innovation Exchange™, a unique focus that serves as a means to solve business problems with innovation through programs and services for developing talent, accessing markets and growing capital.

Four goals guide our actions:

1. Commercializing innovative technology.
2. Developing and enhancing entrepreneurial skills.
3. Focusing resources on entrepreneurs who will build their companies in BC.
4. Engaging BC companies with industry opportunities and targeted growth programs.

Together these goals provide a strong foundation for meeting our legislated mandate and supporting Government priorities. Strategies, performance measures and targets support each goal.

While BC Innovation Council works to achieve the above goals, we are committed to transparency and accountability in the management of our budget and activities. BC Innovation Council adheres to the Taxpayer Accountability Principles and operates under established Standards of Conduct.

BC Innovation Council's strategic engagement plan, for the Taxpayer Accountability Principles and the Standards of Conduct, ensures that acceptance is documented for the BC Innovation Council Board, executive team and staff and is embedded in our recruitment process for both new Board members and staff.

As well, BC Innovation Council's Board Chair and CEO participate in regular meetings with the Minister and Deputy Minister of Technology, Innovation and Citizens' Services to focus on performance against the Taxpayer Accountability Principles, results and strategic decision-making.

## Goal 1: Commercializing Innovative Technology.

Commercialization is an entrepreneurial activity that takes a technology or intellectual property and creates a business around it. BC Innovation Council's goal of facilitating the commercialization of innovative technology is supported by its network of acceleration programs, programs that develop entrepreneurial talent at the post-secondary level, and support of events that increase the number of entrepreneurs and new business opportunities across BC.

### Strategies

- Understanding market challenges within key sectors including: AgriTech, CleanTech, HealthTech, Quantum Computing.
- Managing Venture Acceleration Programs.
- Overseeing a network of accelerators, known as the BC Acceleration Network.
- Supporting post-secondary programs to develop entrepreneurial talent development.
- Sponsoring and promoting appropriate conferences, competitions and events.
- Facilitating the introduction of BC-based companies with potential partners and actively identifying opportunities that expand the scope of engagement and commercial opportunities.
- Running BCIC Ignite, which provides funding to accelerate commercialization of new technologies and innovations in the natural resources and applied sciences.

### Performance Measure 1: Patent-protected innovations and trade secrets.

Performance Measure	2015/16 Actual	2016/17 Target	2017/18 Target	2018/19 Target	2019/20 Target
The percentage of ventures in BC Innovation Council-funded programs with patent protection for their innovations or a structured approach to maintaining trade secrecy.	49%	40%	45%	45%	45%

**Data Source:** Progress reports from program partners.

\* 2015/16 data based on responses from 451 participating companies.

### Discussion

BC Innovation Council supports programs and initiatives that help innovative technologies reach the market. A patent demonstrates the innovative nature of a startup's technology. Trade secrets are also an effective way of shielding intellectual property. A product based on a novel technology tends to have a stronger chance of competing against established players because it can offer differentiated value to customers. Companies with patented intellectual property are better able to defend their innovation when they become successful in the market. By encouraging the use of patents and trade secrets, BC Innovation Council's programs will improve the growth rate and survivability of small and medium-sized businesses located in BC.

The target represents a goal to achieve a high level of patent protection. The unweighted average over the last 3 fiscal years (2013/14-2015/16) is 45%. Although 2015/16 outperformed this target by 4 percentage points, we feel using the previous years' average of 45% for our target for future fiscal years is more realistic. This target would be an indicator of success for the program because not all

entrepreneurs need to secure such protection. Some ventures may still be at the early idea stage and not yet ready to file a patent. Other ventures in the information and communication technology field (including digital media and software as a service) often do not file patent protection or register trade secrets because copyright already exists for their source code.

## Goal 2: Developing and Enhancing Entrepreneurial Skills.

BC Innovation Council works with its program partners to help British Columbians become successful entrepreneurs.

### Strategies

- Providing training to support early-stage entrepreneurs to commercialize concepts.
- Partnering with educational institutions and industry organizations to provide knowledge and training for emerging entrepreneurs.
- Promoting mentorship through our BC-based network of Executives in Residence (EiRs).

### Performance Measure 2.1: Health Score of ventures in BC Acceleration Network.

Performance Measure	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
The overall level to which BC Acceleration Network clients have a solid business foundation for the success of their companies. <sup>1</sup>	61	87	89	89	89

**Data Source:** Progress reports from program partners.

<sup>1</sup> This measure presents an overall score out of a possible 100 points. The score is determined by a set of indicators identified by BCIC as important elements for a venture to progress.

<sup>2</sup> 2015/16 data based on responses from 310 participants.

### Discussion

BC Innovation Council activities support job creation in BC. To do so, it is essential that startup companies in BC Innovation Council-funded programs progress from early-stage ventures to larger mature companies with job opportunities. The BCIC Health Score reflects the level to which startup companies in BC Innovation Council-funded programs are on track to progress into companies that will experience job growth. The previous Health Score model has been updated to reduce subjectivity of the previous rating system and better reflect startup progress relative to jobs, revenue, investments and skill development.

BC has had significant success in launching highly innovative startups; however, it is Canada's mid-sized businesses that have the greatest growth and impact on the economy. These growing and mid-sized companies hire more employees, pay larger wages and have the resources to invest and export.

As such, BC Innovation Council's advanced access programming seeks to catapult high potential startups and established companies into this rapid growth phase.

Targets for 2016/17 and beyond are higher than initially designated in the 2015/16 – 2017/18 Service Plan, because the new Health Score measures different criteria.

See *Appendix C: Evolution of BCIC's Health Score* for a discussion regarding a recent analysis of this performance measure and explanation on how the new Health Score method was determined and how targets have been set and will be measured for 2015/16 onwards.

## **Performance Measure 2.2: Participant evaluation of the effectiveness of BC Innovation Council's programs and services.**

<b>Performance Measure</b>	<b>2015/16 Actual</b>	<b>2016/17 Forecast</b>	<b>2017/18 Target</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>
The percentage of participants in BC Innovation Council-funded programs who confirm programs have a high value impact in advancing their technology venture. <sup>1</sup>	94%	90%	90%	90%	90%

**Data Source:** Progress reports from program partners.

<sup>1</sup> This measure is based on sample surveys where high impact value is defined as a value of 7 or more on a 10-point evaluation scale.

\* 2015/16 data based on responses from 819 participants.

### **Discussion**

As shown above, companies who have engaged with BC Innovation Council have reported great value coming from BC Innovation Council programs and services. Confirmation from entrepreneurs that BC Innovation Council-funded programs enable their ventures to progress adds perspective to how our measures progress. Our goal is to support programs that provide high value to technology entrepreneurs, equipping them with the knowledge and tools to advance their technologies.

Evaluation of programs at this percentile represents immense value and effectiveness. Evaluation results enable us to assess how well we are delivering on our mission to provide unique programs and services. Reports from the participants in BC Innovation Council-supported programs and services help to shape, refine and improve our offerings and position BC Innovation Council as an integral component to the growth and success of our client companies.

## Goal 3: Focusing Resources on Entrepreneurs who will Build their Companies in BC.

BC Innovation Council invests in opportunities for startup companies who will build their companies in our province.

### Strategies

- Working with partners to focus program resources on entrepreneurs who can achieve early customer acquisition while maintaining base operations in BC.
- Managing Venture Acceleration Programs.
- Overseeing a network of accelerators, known as the BC Acceleration Network.
- Providing regional support in the form of curated solutions and connecting innovators and potential buyers for early validation and a roadmap to global markets.
- Working with government to enhance the opportunities for innovative technology companies.

### Performance Measure 3: Entrepreneurs who can build a successful venture based in BC.

Performance Measure	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
The percentage of participants in BC Innovation Council-funded programs who are assessed as being able to be successful in their venture without needing to leave BC to do so. <sup>1</sup>	93%	93%	93%	93%	93%

**Data Source:** Progress reports from program partners.

<sup>1</sup> This measure is based on the experience and knowledge of Executives-in-Residence and mentors who evaluate the opportunities they are supporting.

\* 2015/16 data based on responses from 422 participants.

### Discussion

Entrepreneurs with early stage innovative concepts and business ventures are highly mobile. For many, it is tempting to move to new locations outside of BC to be near their key customers, suppliers or investors. BC Innovation Council assesses the likelihood that a venture will stay in BC to avoid committing taxpayer resources to ventures that are destined to create jobs elsewhere. The likelihood is tied to the ability to build relationships with customers, suppliers and investors from BC.

As a result of effective assessment during in-take sessions, the vast majority of ventures supported by BC Innovation Council-funded programs are expected to be successful without needing to leave BC. Some BC Innovation Council-funded programs are also aimed to cultivate the next generation of entrepreneurs through fostering interest and skill-building within the student population. While these programs are highly effective in equipping the next cohort of potential entrepreneurs with the right skills, it is conceivable that a small percentage of student-focused ventures accepted into these programs will need to exit BC to be successful. Looking forward, a new target of 93% has been established using 2015/16 as a baseline year.



## Goal 4: Engaging BC Companies with Industry Opportunities and Targeted Growth Programs.

### Strategies

- Assisting high potential companies to identify critical talent, capital and market opportunities to increase jobs and accelerate revenue growth.
- Matching innovators with industry driven needs and opportunities in the Clean Technology and Natural Resource sectors, where BC has a competitive advantage.
- Providing high potential companies with tailored input and assistance as to how they can best prepare and position their companies to capitalize on growth and industry opportunities.
- Strategically assisting BC companies across all sectors to increase their competitive advantage through the adoption of innovative technology.

### Performance Measure 4: BC Innovation Council-supported companies that yielded improved company growth.

Performance Measure	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
The average score of participants engaged in BC Innovation Council-funded advanced access programming that received support, yielding improved company growth (via talent, capital, market) and industry opportunities <sup>1</sup> .	N/A	75%	75%	75%	75%

**Data Source:** Future progress reports from program partners.

<sup>1</sup> This measure is based on participant surveys and presents an average of the overall weighted score out of a possible 100 points.

### Discussion

As part of the BC Jobs Plan, the priorities of the #BCTECH Strategy are investments in capital, cultivating talent, accessing markets to support the growth of technology companies, and raising overall employment and revenue in the technology sectors. The province's innovators have built a strong startup ecosystem, but it is still medium-sized business who we see have the most economic impact. To ensure BC startups grow to become these medium-sized companies, BC Innovation Council aims to further their development in BC by providing these high potential companies with advanced access to growth (talent, capital, market) and industry opportunities to accelerate job growth and economic returns for the province.

This new performance measure is designed to evaluate the impact of advanced programming targeted at high potential start-ups and current operating companies that have potential for rapid growth. 2016/17 is the first year that this performance measure is being tracked via weighted survey response. Note that this measure applies to any company in BC that wants to use innovative technology to increase their competitiveness and ultimately create greater revenue and jobs for BC citizens. Upon review of this measure, we have re-examined our targets. A 75% target better represents the difference in size of our partners and the insights we are receiving from them regarding this measure. Our 75% target relies on our assumption that surveyed companies will meet our basic threshold for

the Talent, Capital and Markets pillars (40 points each) as well as will have answered Yes to 1 or 2 of the 3 remaining survey questions per pillar (20 points each). This can be found in Appendix D. It is also worth noting that a 75% metric in this realm is representative of a strong startup ecosystem.

See ***Appendix D: Evaluation of Improved Company Growth*** for a discussion and explanation on how this target has been set and will be measured for 2016/17 onwards.

## Financial Plan – Summary Financial Outlook

	<b>Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
(In \$ thousands)	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
<b>Revenue</b>					
Province of British Columbia	8,090	8,090	21,590	8,090	8,090
Internal Program Funding (1)	3,727	2,654	329	200	150
NRAS Endowment (2)	45	800	1,594	2,264	2,042
Interest & Other	393	108	258	202	197
<b>Total Revenue</b>	<b>12,255</b>	<b>11,652</b>	<b>23,771</b>	<b>10,756</b>	<b>10,479</b>
<b>Expenses</b>					
Programs and Initiatives	9,894	8,258	19,406	6,152	6,111
NRAS Endowment (2)	45	800	1,594	2,264	2,042
Salaries and Benefits	1,644	1,815	1,939	1,667	1,667
Rent	307	297	306	306	306
Amortization	67	63	68	54	40
Other Operating Costs (3)	271	419	458	313	313
<b>Total Expenses</b>	<b>12,228</b>	<b>11,652</b>	<b>23,771</b>	<b>10,756</b>	<b>10,479</b>
<b>Net Income</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Accumulated Surplus (4)</b>	<b>56,480</b>	<b>56,480</b>	<b>56,480</b>	<b>56,480</b>	<b>56,480</b>
<b>Capital Expenditures (5)</b>	<b>89</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>

Note 1: Internal Program Funding is the use of unrestricted assets and deferred program revenues. The funds expended in 2015/2016 are primarily from the Leading Edge Endowment Fund. In 2016/2017 the balance of the Leading Edge Endowment Fund is forecasted to be fully expended.

Note 2: Accumulated interest from NRAS will provide funding for research activities of BC academic institutions and technology developers with the ability to become commercializable projects.

Note 3: Other operating costs include legal, audit, travel, and office expenses.

Note 4: Accumulated Surplus includes \$50 million of Natural Resources and Applied Sciences Research (NRAS) Endowment Fund capital.

Note 5: For 2014/2015, capital expenditures include relocation costs of the BCIC office.

In fiscal year 2005/2006, the Council was charged with stewarding an endowment contribution of \$50,000,000 from the Ministry of Economic Development. The Endowment capital is permanently restricted. Investment earnings are restricted for the support of training, research and development in natural resources and applied sciences.

	<b>Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
(In \$ thousands)	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
NRAS Endowment Fund	50,000	50,000	50,000	50,000	50,000
Interest Accumulated, beginning	3,360	4,365	4,565	4,021	2,757
Annual Investment income	1,050	1,000	1,050	1,000	1,000
Program expenditures	0	(595)	(1,330)	(2,000)	(1,778)
Administration & Professional Fees	(45)	(205)	(264)	(264)	(264)
Forecast Interest Balance	4,365	4,565	4,021	2,,757	1,715

## Key Forecast Assumptions

- The forecast revenues are presented under current government financial requirement guidelines. Provincial funding is anticipated to remain consistent over the next three years. The funding for BC Innovation Council is reviewed annually through the budget process.
- Interest earned on investments is forecast to remain stable over the next three years.
- BC Innovation Council budgeted \$425,000 of its annual provincial funding to support the operation of the Premier's Technology Council (PTC).
- The forecast assumes that the staffing level will remain stable in the two subsequent fiscal years, 2017-2018 and 2018-2019.

## Sensitivity Analysis

BC Innovation Council's ability to leverage Ministry funds to finance projects, programs and initiatives from other sources may be affected if there are further changes to the level of funding received from the Ministry of Technology, Innovation and Citizens' Services. Other sources may include various organizations within the federal and provincial governments as well as private, public and not-for-profit science and technology organizations. Revenues from all program funders depend on those funders' activities and plans.

## Management Perspective on Future Financial Outlook

- BC Innovation Council's programs will be primarily funded by core funding from the Province. BC Innovation Council will align its funding to programs that meet its mandate. BC Innovation Council will work with its regional partners and collaborate with organizations across the province to deliver programs that accelerate the commercialization of technology and the development of entrepreneurs.
- Interest returns on investments remain low under the current economy. It is unlikely that the interest rates will change significantly over the next three years.

# Appendices

## Appendix A: Hyperlinks to Additional Information

### Corporate Governance

- [Role and membership list of the Board of Directors](#)
- [Board Committees and Members](#)
- [Names and job titles of senior management](#)
- [Governance principles](#)
- [Significant reporting relationships](#)

### Organizational Overview

- [Enabling statute](#)
- [Mandate provided in enabling statute](#)
- [Vision and values](#)
- [Business areas](#)
- [Benefit BCIC provides the public](#)
- [Principle partners, clients and stakeholders](#)
- [Program delivery](#)
- [Location](#)

## Appendix B: Top Ongoing Risks for BCIC Operations and Programs

Issues, Risks, and Potential Impacts	Mitigating Strategies
<ul style="list-style-type: none"> <li>The programs that BCIC funds are designed to lower the risk that a new entrepreneurial venture will fail. It is possible that these programs will not actually improve outcomes, despite the quality and care taken in their design and delivery.</li> </ul>	<ul style="list-style-type: none"> <li>BCIC uses course materials developed for entrepreneurial education. BCIC programs are customized for the BC context by local organizations like <a href="#">ACETECH</a>, the Association of Technology CEOs. It is also recognized that some ventures will fail, and their founders will be successful with future ventures, drawing on their experience and learning.</li> </ul>
<ul style="list-style-type: none"> <li>The regional and educational partners are independent not-for-profit organizations governed by their own boards and management teams. Many have revenue streams from sources other than BCIC. It is a significant operational risk that economic forces in their region or strategic changes within their governance structure might cause them to decline to continue delivering BCIC's programs.</li> </ul>	<ul style="list-style-type: none"> <li>The program delivery and support burden is divided among several partners at all times, ensuring that if one partner drops out, others can quickly develop capacity to replace them. BCIC provides funding to organizations based on proposals for programs that meet our mandate. We solicit proposals first from existing funded partners. If they cannot meet our requirements, we may use a competitive Request for Proposal process. BCIC requires <a href="#">BC Acceleration Network</a> partners to develop sustainability plans to address future funding issues, which may include less financial support from BCIC.</li> </ul>

# Appendix C: BCIC's New Health Score

## Background

BCIC's Health Score has evolved to deal with two issues that had been identified:

1. Rating under the old system required the rater to make a number of subjective decisions that was found to be inconsistent across raters.
2. There were substantial inconsistencies in scoring across different stages of startup growth; it was impossible to compare startups at different company stages.

## Moving Forward

The new Health Score will focus on the progress achieved by startups in the BC Venture Acceleration Program. By emphasizing results: jobs, revenue, investment, patent/trade secrets, and skill development, the subjectivity from the old scoring model is removed.

## Advantages of New Health Score

1. **Companies are evaluated using one scoring scheme:** enables fair comparison amongst all companies in the program.
2. **Scores are based on actual progress from Venture Acceleration Program quarterly reports vs. indicators for success:** i.e. jobs, revenue, investment, Market Validation Training, patent/trade secrets.
3. **The model eliminates rater subjectivity:** scoring is based on the progress achieved by each venture, eliminating the need for interpretation required by some indicators.

## Interpreting the Health Score

Consistent from the previous Health Score model, a strong score (75+) indicates a venture is on track and on a good trajectory. A score of 50-74 indicates a startup is beginning to demonstrate an increase in jobs, revenue and investments, all indicators of company traction.

## Target

BCIC reports on the top quartile of companies, because they are considered to be in a position to achieve success. A target of 85 points has been established. To reach 85, companies on average have achieved a strong mix between results and skills development.

Across all startups, BCIC expects to achieve an average Health Score of 55 points. Startups in the BC Venture Acceleration Program are typically still very early stage; therefore, even an incremental increase in jobs, revenue and investment represents progress. In addition, within a cohort of startups, a mixture of success is to be expected. As such, they are not included in the reporting parameters until they reach a stage where they have gained early-stage commercial traction.

Startups participate in the program for an average of 10 months, and different cohorts rotate through the program each year. Thus, the Health Score targets derived from these different cohorts are not expected to increase substantially year-over-year.

Table 1: The New Health Score Model	
Results Achieved ( <u>Per Quarter</u> )	Points Awarded*
<b>Basic Threshold:</b> Any Jobs or Revenue or Investment (excl. Founder**)	+40
<b>Threshold 1:</b> >= 2 Jobs or >= \$15K Revenue or >= \$20K Investment (excl. Founder**)	+10
<b>Threshold 2:</b> >= 3 Jobs or >= \$30K Revenue or >= \$40K Investment (excl. Founder**)	+15
<b>Threshold 3:</b> >= 5 Jobs or >= \$125K Revenue or >= \$125K Investment (excl. Founder**)	+10
<b>Skills Development</b>	
Completed 5 core Market Validation Training Modules	+15
Completed >= 5 Additional Training Topics	+5
<b>Technology Patented / Has Trade Secret</b>	+5

\*Each score is awarded on an additive basis, up to a maximum of 100 points. The Health Score will be derived from the average score of all ventures that have been in the BC Venture Acceleration Program for more than three months.

\*\*Founder investment is not included because it does not represent an investment (and endorsement) from a third party.

## Appendix D: Evaluation of Improved Company Growth

The evaluation of improved company growth takes into account a number of factors that are widely considered important or vital to a medium-sized, high-potential company looking to gain a competitive advantage, adopt innovative technology and solve industry-driven needs.

*Markets, Talent and Capital* are the core thematic pillars of BCIC's advanced access programming. These are the most critical challenges facing high-potential companies with the capacity for rapid growth. The element that crosses all pillars is management capabilities, which can be described as the managements skills, internal planning, optimization and/or capacity needed for a company to take steps towards improving access to market, talent and capital. Improved management capabilities increase the likelihood of success and, as such, it is the most heavily weighted component.

Considering market, talent and capital specifically, the needs of high-potential companies can vary. As such, there is no one factor more important for company growth, and thus the weighting systems among pillars are identical; Each totals 100. Likewise, the discrete steps within the pillars have equal weightings. In this regard, BCIC's advanced access programming will begin with a needs assessment of each company, so that support services are specifically tailored to progress each company from their distinct position to their desired future state.

**Table 2: Survey Weighting for Evaluation of Improved Company Growth**

<b>1. Talent</b>	<b>Points*</b>
<b>Basic Threshold:</b> BCIC programs made a positive impact on the overall management capabilities (skills, planning, optimization and/or capacity) necessary for the company to access advanced talent opportunities	+40
<b>Q 1:</b> Company gained increased number of staff as a result of the program	+20
<b>Q 2:</b> Company gained increased and needed expertise on staff as a result of the program	+20
<b>Q 3:</b> Company determined necessary HR capabilities to attract, develop and retain talent	+20
<b>2. Capital</b>	<b>Points*</b>
<b>Basic Threshold:</b> BCIC programs made a positive impact on the overall management capabilities (skills, planning, optimization and/or capacity) necessary for the company to access advanced capital opportunities	+40
<b>Q 1:</b> Company increased access to existing capital as a result of the program	+20
<b>Q 2:</b> Company gained access to new capital as a result of the program	+20
<b>Q 3:</b> Company determined best approach to financing for the acquisition of capital	+20
<b>3. Markets</b>	<b>Points*</b>
<b>Basic Threshold:</b> BCIC programs made a positive impact on the overall management capabilities (skills, planning, optimization and/or capacity) necessary for the company to access advanced market opportunities	+40
<b>Q 1:</b> Company gained increased share of existing market as a result of the program	+20
<b>Q 2:</b> Company gained channels to new market(s) as result of the program	+20
<b>Q 3:</b> Company determined best positioning of product/service to meet needs of market	+20

\*Each score is awarded on an additive basis, up to a maximum of 100 points per category. The basic category threshold is 40 points, with subset questions awarding additional points depending on the depth of support/assistance received via BCIC programs. The overall measure will be derived from the average survey score of all participants engaged in advance access programming.



# **British Columbia Innovation Council**

## **2015/16 ANNUAL SERVICE PLAN REPORT**



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## Board Chair's Accountability Statement



The British Columbia Innovation Council (BCIC) is the province's lead agency promoting the development and application of advanced or innovative technologies to meet the needs of industry in BC. Our mission is to build BC's economy by accelerating the growth of BC ventures through the support of entrepreneurs and technology startup companies.

The *British Columbia Innovation Council 2015/16 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2015/16 - 2017/18 Service Plan*. I am accountable for those results as reported.

A stylized, handwritten signature in black ink, appearing to read 'Derek Lew'.

Derek Lew, Board Chair  
BC Innovation Council

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## Chair/CEO Report Letter



BCIC continued to serve BC's tech sector in meaningful ways in 2015/16, guided by Minister Virk's Mandate Letter. BCIC adhered to Board Resourcing and Development Office policies and best practices, and implemented outcome-based metrics, aligned with the BC Jobs Plan and including measures of job creation and investment. The BCIC team builds and maintains an extensive range of partnerships and has diversified programming to strengthen entrepreneurship development and support regional expansion.



BCIC's activities are guided by the #BCTECH Strategy. In January 2016, BCIC co-hosted the #BCTECH Summit, where the #BCTECH Strategy was introduced. The Summit supported the strategy's three pillars – Talent, Capital and Markets – through activities such as the coding camp and Career Showcase, Venture Capital Presentations and facilitated Business-to-Business Meetings.

In 2015/16, BCIC continued to provide detailed quarterly reports on performance and finances. BCIC's CEO meets with Government quarterly to implement initiatives that directly support and accelerate commercialization in the province and ensure BCIC programs align with the #BCTECH Strategy.

In compliance with the Taxpayer Accountability Principles, BCIC and the Ministry of Technology, Innovation and Citizens' Services created a Strategic Engagement Plan (see Appendix C) that outlines actions to enable BCIC and the ministry to work more effectively together and to ensure accountability for outcomes and measurements identified by the minister responsible. The two parties are meeting the actions outlined in this plan, which include regular meetings – and specific areas of discussion at those meetings – between representatives from the ministry and BCIC at several levels, outlining engagement activities.

In 2015/16, BCIC also met the requirement to undertake more comprehensive and appropriate communication, orientation and training regarding the accountability framework, the Taxpayer Accountability Principles, and roles and expectations for the BCIC Board and executive team. BCIC will continue to conduct regular briefing and training on the Taxpayer Accountability Principles and offer an orientation program for Board members and staff.

Derek Lew, Board Chair  
BC Innovation Council

Greg Caws, CEO  
BC Innovation Council

## Purpose of the Organization

The British Columbia Innovation Council (BCIC) is a Crown agency under the British Columbia Innovation Council Act.

BCIC encourages the development and application of advanced or innovative technologies to meet the needs of industry in BC. They accelerate technology commercialization by supporting startups, developing entrepreneurs and creating programs for growth. BCIC works with partners across industry, academia, government and associations that support entrepreneurship, the development of talent, the provisioning of capital and access to markets. With its partners, BCIC delivers programs that promote company growth, resulting in jobs, increased revenue and economic development in BC.

Helping entrepreneurs and companies expand innovative products and services into the local and global marketplace enhances BC's competitiveness and provides high quality jobs for British Columbians. BCIC supports programs that accelerate adoption of technology by all BC companies.

## Strategic Direction and Context

The 2015/16 Mandate Letter required BCIC and Government work in partnership to continue to advance commercialization in BC. The Government directed BCIC to undertake the following specific actions:

- Continue to work in partnership with Government on the full implementation of the approved recommendations of the BCIC Mandate Review and report to Government quarterly on BCIC's results-to-date and planned actions to:
  - Adhere to the Board Resourcing and Development Office policies and best practices.
  - Refine and implement outcome-based metrics including measures of job creation and investment.
  - Build and maintain partnerships and diversify programming in order to strengthen entrepreneurship development in the BC Jobs Plan's priority sectors and to support regional expansion.
- Support the Government in the implementation of its Technology Strategy as required.
- Meet with Government quarterly to develop and implement initiatives that directly support and accelerate commercialization in BC and ensure BCIC programs are aligned with the BC Technology Strategy.

BCIC was also directed to adhere to the Taxpayer Accountability Principles and deliver against its action items.

Technology and innovation are critical drivers of success for the BC economy. In 2015/16, BCIC continued to support programs for early stage companies and recognizing the potential for growth in more established companies, delivered additional programs that met their needs.

BCIC worked closely with the BC Government to co-host the inaugural #BCTECH Summit in January 2016, where the #BCTECH Strategy was unveiled. BCIC is supporting the three pillars of this strategy – Talent, Capital and Markets – in its programs, initiatives and communications.

British Columbia continued to experience an influx of large technology companies in 2015/16, with companies such as Microsoft and Sony Imageworks expanding their presence in the province. This is

contributing to a growing demand for tech talent across the province. BCIC is responding to this need with programs that are helping to develop student talent and entrepreneurial skills development.

BCIC effectively delivered expanded programs in 2015/16, supported by a stable operating environment and strong leadership in the technology community. Potential risks identified in the 2015/16 Service Plan were managed under mitigation strategies.

## **Report on Performance**

In 2015/16, BCIC achieved its major objectives. This included continuing to work in partnership with government on the full implementation of actions items in the Mandate Letter and the Taxpayer Accountability Principles. BCIC has undertaken comprehensive and appropriate communication, orientation and training on these principles, the accountability framework and roles and expectations for board members and the executive team. BCIC's Board Chair and Minister meet annually, and the CEO and Deputy Minister meet biannually to discuss performance against the Taxpayer Accountability Principles, outcomes and strategic decision making.

The Chair/CEO Report letter in this report provides an accounting of BCIC's performance concerning expectations outlined in the Mandate Letter, delivering on one of the Taxpayer Accountability Principles Action Items.

BCIC has developed and implemented an evaluation plan to measure specific efficiency and performance measures related to the Taxpayer Accountability Principles. The five targets relate to BCIC funding agreements being program-based, satisfaction across BCIC-funded programs, operating expenses as a portion of overall budget, an annual staff orientation for BCIC's Code of Ethics and consistent communications to the BCIC network. Targets were met in all five areas of the evaluation plan in 2015/16.

## ***Goals, Strategies, Measures and Targets***

Three goals guided BCIC's actions in 2015/16:

1. Commercializing innovative technology.
2. Developing and enhancing entrepreneurial skills.
3. Focusing resources on entrepreneurs who will build their companies in BC.

Together these goals provide a strong foundation for meeting our legislated mandate and supporting government's priorities. These goals support job creation and increased investment in the technology sector in BC. Technology is identified as one of eight key sectors in the provincial economy by the BC Jobs Plan. Each of BCIC's goals is supported by strategies, performance measures and targets.

### ***Goal 1: Commercializing Innovative Technology***

Commercialization is an entrepreneurial activity that takes a technology or intellectual property and creates a business around it. BCIC's goal of facilitating the commercialization of innovative

technology is supported by its network of acceleration programs (the BC Acceleration Network) as well as programs that develop entrepreneurial talent at the post-secondary level and sponsorship of events that increase the number of entrepreneurs and new business opportunities across BC.

### Strategies

- Build a network of Venture Acceleration Programs.
- Facilitate post-secondary programs to support entrepreneurial talent development.
- Sponsor and promote appropriate conferences, competitions and events.
- Facilitate the introduction of BC-based companies with potential partners and actively identify opportunities that expand the scope of engagement and commercial opportunities.

### Performance Measure 1.1: Patent-protected innovations and trade secrets

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Target	2015/16 Actual	2016/17 Target	2017/18 Target
The percentage of ventures in BCIC-funded programs with patent protection for their innovations or a structured approach to maintaining secrecy.	42%	45%	30%	49%*	40%	40%

**Data Source:** Progress reports from program partners.

\*2015/16 data based on responses from 451 participating companies.

### Discussion

BCIC supports programs and initiatives that help innovative technologies reach the market. A patent demonstrates the innovative nature of a startup's technology. Trade secrets are also an effective way of shielding intellectual property. A product based on a novel technology tends to have a stronger chance of competing against established players because it can offer differentiated value to customers. Companies with patented intellectual property are better able to defend their innovation when they become successful in the market. By encouraging the use of patents and trade secrets, BCIC's programs will improve the growth rate and survivability of small- and medium-sized business located in BC.

The target represents a goal to achieve a high level of patent protection. 2013/14 was the first year this performance measure was tracked. After the original target of 30% was exceeded, the target was increased. BCIC has now determined that a target of 40% would be an indicator of success for the program because not all entrepreneurs need to secure such protection. Some ventures may still be at the early idea stage and not yet ready to file a patent. Other ventures in the information and communication technology field (including digital media and software as a service) often do not file patent protection or register trade secrets because copyright already exists for their source code.

### *Goal 2: Developing and Enhancing Entrepreneurial Skills*

BCIC works with its program partners to help British Columbians become successful entrepreneurs.



## Strategies

- Provide relevant training to support early-stage entrepreneurs to commercialize concepts.
- Partner with educational institutions and industry organizations to provide relevant knowledge and training for emerging entrepreneurs.

### Performance Measure 2.1: Health Score of Ventures in BC Acceleration Network

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Target	2015/16 Actual	2016/17 Target	2017/18 Target
The overall level to which BC Acceleration Network clients have a solid business foundation for the success of their companies. <sup>1</sup>	56	56	65	61*	87	89

**Data Source:** Progress reports from program partners.

<sup>1</sup> This measure presents an overall score out of a possible 100 points. The score is determined by a set of indicators identified by BCIC as important elements for a venture to progress.

\*2015/16 data based on responses from 310 participants.

## Discussion

BCIC activities support job creation in BC. It is essential that startup companies in BCIC-funded programs progress from early-stage ventures to larger mature companies with job opportunities. The BCIC Health Score reflects the level to which startup companies in BCIC-funded programs are on track to progress into companies that will experience job growth. The previous Health Score model has been updated to reduce subjectivity of the previous rating system and better reflect startup progress relative to jobs, revenue, investments and skill development. Targets for 2016/17 and beyond are higher than initially designated in the 2015/16 – 2017/18 Service Plan, because the new Health Score measures different criteria.

### Performance Measure 2.2: Participant Evaluation of the Effectiveness of BCIC's Programs and Services

Performance Measure	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Target	2015/16 Actual	2016/17 Target	2017/18 Target
The percentage of participants in BCIC-funded programs who confirm BCIC's programs have a high value impact in advancing their technology venture. <sup>1</sup>	82%	88%	92%	90%	94%*	90%	90%

**Data Source:** Progress reports from program partners.

<sup>1</sup> This measure is based on sample surveys where high impact value is defined as a value of 7 or more on a 10-point evaluation scale.

\*2015/16 data based on responses from 819 participants.

## Discussion

Confirmation from entrepreneurs that BCIC-funded programs enable their ventures to progress adds perspective to how BCIC measures progress. Our goal is to support programs that provide high value to technology entrepreneurs, equipping them with the knowledge and tools to advance their technologies. Evaluation results enable us to assess how well we are delivering on our mission. Reports from the participants in BCIC-support programs and services help to shape, refine and improve our offerings and position BCIC as an integral component to the growth and success of our client companies. Performance targets are based on similar past BCIC surveys. BCIC aims to deliver high value to all ventures, with a target of 90% of ventures rating the service they receive as high value, and beyond this, to continue to maintain this high level of effectiveness. The 2015/16 score exceeded the target slightly; this is likely because the evaluation included the two new BCIC Tech Works programs, which received high ratings from participants.

### ***Goal 3: Focusing Resources on Entrepreneurs who will Build their Companies in BC***

BCIC invests in opportunities for startup companies who will build their companies in our province, ensuring ongoing job creation and economic development.

## Strategies

- Work with program partners to focus program resources on entrepreneurs who can achieve early customer acquisition while maintaining base operations in BC.

### **Performance Measure 3: Entrepreneurs who can build a successful venture based in BC**

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Target	2015/16 Actual	2016/17 Target	2017/18 Target
The percentage of participants in BCIC-funded programs who are assessed as being able to be successful in their venture without needing to leave BC to do so. <sup>1</sup>	99%	87%	90%	93%*	90%	90%

**Data Source:** Progress reports from program partners.

<sup>1</sup> This measure is based on the experience and knowledge of Executives-in-Residence and mentors who evaluate the opportunities they are supporting.

\*2015/16 data based on responses from 422 participants.

## Discussion

Entrepreneurs with early stage innovative concepts and business ventures are highly mobile. For many, it is tempting to move to new locations outside of BC to be near their key customers, suppliers or financiers. Of the three prime relationships, the most compelling is that with customers, who are the ultimate source of value in an entrepreneurial venture. BCIC assesses the likelihood that a venture will stay in BC to avoid committing taxpayer resources to ventures that are destined to create jobs elsewhere.

As a result of effective assessment during in-take sessions, the vast majority (93% in 2015/16) of ventures supported by BCIC-funded programs are expected to be successful without needing to leave BC. Some BCIC-funded programs are aimed to cultivate entrepreneurs among the student population.

While these programs are highly effective in equipping the next cohort of potential entrepreneurs with the right skills, it is conceivable that a small percentage of student-focused ventures accepted into these programs will need to exit BC to be successful. Thus, a realistic target of 90% has been established.

## **Financial Report**

### ***Discussion of Results***

BCIC's core operations and activities are funded by the Province through the Ministry of Technology, Innovation and Citizens' Services. With these funds, BCIC will continue to leverage partnerships across the province to develop and deliver programs that meet its mandate. To deliver the best returns on investments, BCIC's partners are encouraged to leverage government funding to gain additional sources of revenue.

### **Assessment of Changes in Results and Reasons for Significant Variances and Trends**

In 2015/16, BCIC received \$8.09 million from the province, \$6.09 million as core funding per the original budget and \$2 million to go towards specific commercialization initiatives.

Annual total funding is budgeted to be \$8.09 million for 2016/17 and is expected to return to \$6.09 million for 2017/18.

Overall, BCIC committed \$9.89 million of provincial funding and university endowment funding to support programs and initiatives that drive commercialization, research and the development of entrepreneurial skills. In 2015/16, BCIC funded \$3.73 million from deferred program revenues to the Innovator Skills Initiative and BC Tech Co-op Grants Program for small companies. In the prior year, BCIC funded \$5.15 million from deferred program revenues to build scholarship funds, develop research chairs and support natural resource commercialization initiatives.

In 2015/16, BCIC continued to enhance technology integration across all industry sectors. Salaries and benefits were also higher in 2015/16 to cover the additional expense of two maternity leaves and new hires.

### **Major Risks and Opportunities that Affected Financial Performance**

BCIC's operations are primarily funded by annual funding from the Province and any changes to the level of annual provincial funding will have significant impact on BCIC's operations. Strategies to mitigate this risk include ongoing communications with BCIC's existing and potential funding sources, in order to build awareness of the level of support required. In addition, BCIC explores the development and implementation of programs and initiatives that are either self-supporting or leveraged with other revenue generating sources.

A summary of the BC Innovation Council's financial results is presented below.

## Financial Resource Summary Table

SUMMARY OF FINANCIAL RESULTS AND BUDGET PROJECTIONS									
(in thousands of dollars)	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16			
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	VARIANCE	YEAR
Revenues									
Province of British Columbia	8,500	9,650	6,150	6,090	8,090	8,090	6,090	2,000	0
Internal Program Funding (1)	29	-	171	2,372	5,154	3,727	277	3,450	(1,427)
NRAS Endowment	1,919	568	3	10	-	45	1,000	(955)	45
Interest and Other	329	124	291	154	212	393	125	268	181
Total Revenues	10,777	10,342	6,615	8,626	13,456	12,255	7,492	4,763	(1,201)
Expenses									
Programs and Initiatives	6,349	7,430	4,956	6,840	11,619	9,894	4,232	5,662	(1,725)
NRAS Endowment	1,919	568	3	10	-	45	1,000	(955)	45
Salaries and Benefits	1,590	1,392	1,027	1,125	1,347	1,644	1,484	160	297
Rent	274	418	223	229	173	307	260	47	134
Amortization	62	48	41	34	38	67	36	31	29
Other operating costs (2)	583	485	364	387	278	271	480	(209)	(7)
Total Expenses	10,777	10,341	6,614	8,625	13,455	12,228	7,492	4,736	(1,227)
Annual Surplus	0	1	1	1	1	27	0	27	26
Funds Committed to Future Programs (3)	11,561	11,653	22,180	20,264	15,712	13,167	15,712	(2,545)	(2,545)
Capital Expenditures (4)	14	13	36	27	147	89	50	39	(58)
Total Debt	0	0	0	0	0	0	0	0	0

(1) Internal Program Funding is drawn from unrestricted assets and deferred program revenues. The amount for 2015/2016 is related to the asset gifted with restrictions from the Leading Edge Endowment Fund, the funding from the Ministry of Jobs and the Agriculture Science and Innovation funds.

(2) Other operating costs include professional services, travel and office expenses.

(3) The balance of Funds Committed to Future Programs includes unrestricted assets and deferred revenue balances. Year-to-year changes include Annual Surplus (Deficit), changes to tangible capital assets and deferred revenues as detailed in note 4 and note 6 of the audited financial statements.

(4) For 2015/2016, capital expenditures include the costs of computers and office equipment.

(5) The above financial information, including forecast information, was prepared based on current Public Sector Accounting Standards.

## Natural and Applied Science Endowment Fund

NATURAL AND APPLIED SCIENCES ENDOWMENT FUND									
(in thousands of dollars)	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16			
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	VARIANCE	YEAR
NRAS Endowment Fund									
Interest Accumulated, Begin of the year	1,209	76	502	1,461	2,426	3,360	2,426	934	934
Annual investment income	786	994	962	975	957	1,050	1,000	50	93
Program expenditures	(1,800)	(560)	-	-	-	-	(1,000)	1,000	-
Administration and professional fees	(119)	(8)	(3)	(10)	(23)	(45)	0	(45)	(22)
Interest Accumulated, End of the year	76	502	1,461	2,426	3,360	4,365	2,426	1,939	1,005

In the 2005/06 fiscal year, BCIC was charged with stewarding \$50 million from the Province of British Columbia for the Natural Resources and Applied Sciences (NRAS) Research Endowment Fund. As an endowment, it is expected that the capital will be preserved and only the interest earnings will be spent on program activities. In 2015/16, BCIC retained all interest earnings. A program has been identified and these earnings will be spent commencing 2016/17.

Financial Statements of

**BRITISH COLUMBIA  
INNOVATION COUNCIL**

Year ended March 31, 2016

KPMG LLP™  
Metro Tower I  
4710 Kingsway, Suite 2400  
Burnaby BC V5H 4M2  
Canada  
Telephone (604) 527-3600  
Fax (604) 527-3636

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Minister of Technology, Innovation and Citizens' Services of British Columbia

We have audited the accompanying financial statements of British Columbia Innovation Council, which comprise the statement of financial position as at March 31, 2016, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the British Columbia Innovation Council as at March 31, 2016 and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants

May 10, 2016  
Burnaby, Canada

## Statement of Financial Position

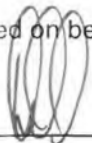
March 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial Assets</b>		
Cash and cash equivalents:		
Unrestricted	\$ 357,194	\$ 86,324
Restricted - deferred programs (note 6)	10,512	6,665
Restricted - NRAS endowment (note 7)	28	-
Investments:		
Unrestricted (note 3)	5,845,995	6,157,654
Restricted - deferred programs (notes 3 and 6)	6,915,620	9,468,859
Restricted - NRAS endowment (notes 3 and 7)	4,365,236	3,359,623
Accounts receivable	81,762	46,128
	17,576,347	19,125,253
<b>Liabilities</b>		
Accounts payable and accrued liabilities	115,340	104,716
Deferred program revenues (note 6)	6,926,132	9,475,524
Deferred revenue from NRAS endowment (note 7)	4,365,264	3,359,623
	11,406,736	12,939,863
<b>Net Financial Assets</b>	<b>6,169,611</b>	<b>6,185,390</b>
<b>Non-Financial Assets</b>		
Restricted - NRAS endowment:		
Investments (notes 3 and 7)	50,000,000	50,000,000
	50,000,000	50,000,000
Tangible capital assets (note 4)	239,155	217,206
Prepaid expenses	70,789	50,197
	50,309,944	50,267,403
Accumulated surplus (note 5)	\$ 56,479,555	\$ 56,452,793

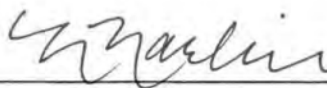
Commitments (note 8)  
Contractual obligations (note 9)  
Employee future benefits (note 10)

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director



## Statement of Operations and Accumulated Surplus

Year ended March 31, 2016, with comparative information for 2015

	Budget 2016 (note 2(e))	2016	2015
Revenue:			
Grants from the Province of British Columbia	\$ 6,090,000	\$ 8,090,000	\$ 8,090,000
Program revenue (note 6)	277,000	3,727,481	5,153,806
Other	-	259,321	53,049
Interest	125,000	133,880	159,611
NRAS endowment	1,000,000	44,621	-
	7,492,000	12,255,303	13,456,466
Expenses (note 12):			
Program expenses and disbursements:			
Academic	350,000	2,517,160	2,322,600
Commercialization	3,741,313	7,289,684	9,181,695
NRAS endowment	1,000,000	44,621	-
Premier's Technology Council	425,000	263,228	315,402
Technology Awareness	200,000	478,977	251,202
General administration (note 11)	1,775,687	1,634,871	1,384,331
	7,492,000	12,228,541	13,455,230
Annual surplus	-	26,762	1,236
Accumulated surplus, beginning of year	56,452,793	56,452,793	56,451,557
Accumulated surplus, end of year	\$ 56,452,793	\$ 56,479,555	\$ 56,452,793

See accompanying notes to financial statements.

## Statement of Changes in Net Financial Assets

Year ended March 31, 2016, with comparative information for 2015

	Budget 2016 (note 2(e))	2016	2015
Annual surplus	\$ -	\$ 26,762	\$ 1,236
Acquisition of tangible capital assets	(100,000)	(89,401)	(146,990)
Amortization of tangible capital assets	36,500	67,452	38,496
	(63,500)	4,813	(107,258)
Acquisition of prepaid expenses	-	(111,782)	(100,588)
Use of prepaid expenses	-	91,190	82,591
	-	(20,592)	(17,997)
Change in net financial assets	(63,500)	(15,779)	(125,255)
Net financial assets, beginning of year	6,185,390	6,185,390	6,310,645
Net financial assets, end of year	\$ 6,121,890	\$ 6,169,611	\$ 6,185,390

See accompanying notes to financial statements.

## Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating:		
Annual surplus	\$ 26,762	\$ 1,236
Items not involving cash:		
Amortization of tangible capital assets	67,452	38,496
Changes in non-cash operating working capital:		
Accounts receivable	(35,634)	(30,336)
Prepaid expenses	(20,592)	(17,997)
Accounts payable and accrued liabilities	10,624	(175,421)
Deferred program revenues	(2,549,392)	(4,446,019)
	(2,500,780)	(4,630,041)
Capital:		
Purchase of tangible capital assets	(89,401)	(146,990)
	(89,401)	(146,990)
Investments:		
Purchase of investments	(15,462,513)	(151,458,180)
Proceeds on maturity of investments	17,321,798	154,965,145
Increase in deferred revenue from NRAS endowment	1,005,641	933,497
	2,864,926	4,440,462
Increase (decrease) in cash and cash equivalents	274,745	(336,569)
Cash and cash equivalents, beginning of year	92,989	429,558
Cash and cash equivalents, end of year	\$ 367,734	\$ 92,989
Cash and cash equivalents are comprised of:		
Financial assets:		
Unrestricted	\$ 357,194	\$ 86,324
Restricted - deferred programs	10,512	6,665
Restricted - NRAS endowment	28	-
Cash and cash equivalents, end of year	\$ 367,734	\$ 92,989

See accompanying notes to financial statements.

## Notes to Financial Statements

Year ended March 31, 2016, with comparative information for 2015

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**1. Authority and purpose:**

British Columbia Innovation Council (the "Council"), was established in 2006 by an amendment of the Innovation and Science Council Act to the British Columbia Innovation Council Act (the "Act").

The Council is governed by a Board of Directors, appointed by the provincial government of British Columbia (the "Province"). The Council is exempt from the payment of income taxes under Section 149 of the Income Tax Act.

Under Section 13 of the Act, the directors, officers, and employees of the Council have certain immunities in the exercise of their duties carried out in their connection with the Council.

The Council's mandate is to advance commercialization in British Columbia through focused support to startup companies and facilitation of partnerships between industry and academia.

**2. Significant accounting policies:****(a) Basis of accounting and presentation:**

These financial statements are prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**(b) Cash and cash equivalents:**

Cash and cash equivalents include investments with a term to maturity of 90 days or less at the date of acquisition.

**(c) Investments:**

Investments, which include investments with original terms to maturity of greater than 90 days, are recorded at amortized cost plus accrued interest, which approximates market value. Interest income is recognized in the period earned.

**(d) Revenue recognition:**

Unrestricted contributions and government grants are recorded as revenue when received or receivable, if the amounts can be estimated and collection is reasonably assured. Other unrestricted revenue, including sales of services and products, are reported as revenue at the time the services are provided or the goods delivered.

Investment income on unrestricted assets is recognized as revenue when it is earned.

Endowment contributions are recognized as revenue when received. Investment income earned from restricted cash and investments related to the endowment funds are deferred and recognized as revenue when they are spent or disbursed in accordance with the restrictions of the endowment.

**2. Significant accounting policies (continued):**

(d) Revenue recognition (continued):

Contributions externally restricted for non-capital specific purposes are recorded as deferred revenue and recognized as revenue in the year in which the stipulations are met.

Investment income that is subject to external restrictions is deferred and recognized as revenue in the year in which the related expense is incurred.

(e) Budget figures:

The budget figures presented in these financial statements are based on the 2016 operating budget approved by the Board of Directors on January 19, 2015.

(f) Government transfers:

Transfers from governments with restrictions are deferred and recognized as revenue when they are spent in accordance with the stipulations in the related agreements. Transfers from governments without restrictions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

(g) Financial instruments:

Financial instruments are classified into two categories: fair value or amortized cost:

Investments with fixed maturity dates are recorded at amortized costs. Income on these investments is recognized in the Statement of Operations and Accumulated Surplus over the period of time the investments are held. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are included in the cost of the related investments.

The carrying amounts of other financial instruments such as cash and cash equivalents, and accounts receivables also approximate their fair value due to their short-term maturities.

The Council does not have any financial instruments required or elected to be subsequently recorded at fair value.

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

# BRITISH COLUMBIA INNOVATION COUNCIL

BC Innovation Council

## Notes to Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

### 2. Significant accounting policies (continued):

#### (i) Tangible capital assets:

Tangible capital assets are initially recorded at cost which includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The historical cost, less residual value, of the tangible capital assets is amortized commencing at the time the asset is available for use based on the methods and rates as shown in the schedule below:

Asset	Amortization
Furniture, fixtures and equipment	20% declining balance
Computer hardware and software	33% declining balance
Leasehold improvements	Straight line over the lesser of the term of the lease and the useful life of the asset

When events or circumstances indicate that a tangible capital asset no longer has any long-term service potential, the net carrying amount is written down to the residual value of the asset. No write-downs were determined to be necessary during the current year.

#### (j) Prepaid expenses:

Prepaid expenses are recorded at cost and amortized over the period where the benefits are received.

#### (k) Employee future benefits:

The Council accrues employee vacation entitlements. These accruals are included in accounts payable and accrued liabilities. The Council is a member of the Public Service multi-employer pension plan (note 10). Defined contribution plan accounting is applied to the multi-employer defined benefit plan and, accordingly, contributions are expensed when paid or payable.

#### (l) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The significant areas requiring the use of management estimates include the determination of useful lives of tangible capital assets for amortization and the accrual of liabilities. When actual results differ from the estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

# BRITISH COLUMBIA INNOVATION COUNCIL

BC Innovation Council

Notes to Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

## 3. Investments:

Restricted and unrestricted investments consist of term deposits and guaranteed investment certificates with maturity dates ranging from May 2016 to Dec 2018, bearing interest at rates ranging from 0.95% to 2.22%.

Included in unrestricted investments are shares of previous British Columbia Advanced Systems Foundation ("ASI") program participant private corporations received in exchange for all or a portion of loan or royalty interests.

As at March 31, 2016, the Council has assessed these shares of privately-held corporations to have nominal market value. As such, these investments are recorded at a nominal value of \$1 each for each company shareholding. The estimated market value of the long-term investments as at March 31, 2016 is \$20 (2015 - \$20).

## 4. Tangible capital assets:

Cost	Balance at March 31, 2015	Additions	Disposal	Balance at March 31, 2016
Furniture, fixtures and equipment	\$ 179,384	\$ 28,075	\$ -	\$ 207,459
Computer hardware and software	469,747	61,326	-	531,073
Leasehold improvements	120,569	-	-	120,569
	\$ 769,700	\$ 89,401	\$ -	\$ 859,101

Accumulated Amortization	Balance at March 31, 2015	Amortization	Accumulated amortization of disposals	Balance at March 31, 2016
Furniture, fixtures and equipment	\$ 131,435	\$ 12,545	\$ -	\$ 143,980
Computer hardware and software	393,289	35,707	-	428,996
Leasehold improvements	27,770	19,200	-	46,970
	\$ 552,494	\$ 67,452	\$ -	\$ 619,946

# BRITISH COLUMBIA INNOVATION COUNCIL

BC Innovation Council

Notes to Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

## 4. Tangible capital assets (continued):

	Net book value March 31, 2015	Net book value March 31, 2016
Furniture, fixtures and equipment	\$ 47,949	\$ 63,479
Computer hardware and software	76,458	102,077
Leasehold improvements	92,799	73,599
	\$ 217,206	\$ 239,155

There were no write-downs or reversals of write-downs previously recorded on any tangible capital assets.

## 5. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2016	2015
Invested in tangible capital assets	\$ 239,155	\$ 217,206
NRAS Endowment	50,000,000	50,000,000
Unrestricted	6,240,400	6,235,587
	\$ 56,479,555	\$ 56,452,793



# BRITISH COLUMBIA INNOVATION COUNCIL

BC Innovation Council

Notes to Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

## 6. Deferred program revenues:

	Balance March 31, 2015	Funds received	Funds expended	Balance March 31, 2016
Agriculture Science and Innovation	\$ 2,426,615	\$ -	\$ 327,000	\$ 2,099,615
Aquaculture & Environment Research	376,024	-	-	376,024
Industrial Innovation Scholarship	102,750	-	-	102,750
LEEF Student Program	6,314,699	57,728	3,145,045	3,227,382
International Science and Technology Partnership	255,436	-	255,436	-
	9,475,524	57,728	3,727,481	5,805,771
BC Tech Summit (a)	-	2,222,611	1,102,250	1,120,361
Total	\$ 9,475,524	\$ 2,280,339	\$ 4,829,731	\$ 6,926,132

(a) The revenue and expenses for the BC Tech Summit are recorded on a net basis.

(b) Funds restricted for future program expenses have been separated and classified as restricted cash and cash equivalents - deferred programs and restricted investments - deferred programs.

## 7. Natural Resources and Applied Science Research Endowment (NRAS):

In fiscal year 2005/2006, the Council was charged with stewarding an endowment contribution of \$50,000,000 from the Ministry of Economic Development. Investment earnings are restricted for the support of training, research and development in natural resources and applied sciences. Restricted cash and investments of \$54,365,264 are comprised of the permanently restricted endowment balance of \$50,000,000 and unspent interest earnings of \$4,365,264.

Deferred revenue from the NRAS endowment balance comprises of the following:

	2016	2015
Accumulated interest, beginning of year	\$ 3,359,623	\$ 2,426,126
Interest earned net of fees	1,050,262	933,497
Administration and professional fees	(44,621)	-
Accumulated interest, end of year	\$ 4,365,264	\$ 3,359,623

# BRITISH COLUMBIA INNOVATION COUNCIL

BC Innovation Council

Notes to Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

## 8. Commitments:

The Council has entered into operating leases for their premises and certain office equipment. Total estimated lease payments up to the end of the lease terms are as follows:

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2017	\$ 303,453
2018	310,601
2019	316,259
2020	263,946

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## 9. Contractual obligations:

The Council has entered into a number of project grant contracts as at March 31, 2016 to provide future funding of research projects to be completed subsequent to the year end. These contractual obligations are funded in installments and payments are due based on conditions included in the contract being satisfied. As such, no liability has been accrued in the financial statements as the Council is not liable for payments until these conditions have been met.

The contractual obligations of the Council as at March 31, 2016 are \$6,667,800 (2015 - \$6,629,160).

## 10. Employee future benefits:

The Council and its employees contribute to the Public Service Pension Plan (the "Plan") in accordance with the *Public Sector Pension Plans Act* (the "Act"). The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the Act applies. As the Plan is a multi-employer, defined benefit plan, the Council accounts for its payments on the basis of a defined contribution plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the Plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2011) indicated an unfunded liability of \$275 million. The plan covers approximately 53,500 active employees. The next required valuation will be as of March 31, 2016 with results available for the Council's 2017 fiscal year.

During the year, the Council paid and expensed \$111,356 (2015 - \$102,122) for contributions to the Plan.

# BRITISH COLUMBIA INNOVATION COUNCIL

BC Innovation Council

Notes to Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

## 11. Related parties:

The Council is related through common ownership to all Province of British Columbia ministries, agencies, crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Council received \$8,090,000 (2014 - \$8,090,000) in provincial funding from the Ministry of Technology, Innovation and Citizens' Services.

## 12. Expenses by object:

The following is a summary of expenses by object:

	2016	2015
Expenses:		
Program expenses and disbursements	\$ 9,893,905	\$ 11,618,798
Salaries and benefits	1,644,453	1,346,993
Rent	306,702	172,574
Contracted services	61,586	97,169
Office expenses	133,619	81,943
Other costs	120,824	99,257
	12,161,089	13,416,734
Amortization	67,452	38,496
Total expense	\$ 12,228,541	\$ 13,455,230

## Appendix A: Additional Information

### ***Organizational Overview***

#### **Enabling Legislation**

The BC Innovation Council is a Provincial Crown Agency Operating under the *British Columbia Innovation Council Act* (Amended in Bill 15 – 2006).

#### **Mandate**

The provincial government has provided the following mandate direction to BCIC under the *British Columbia Innovation Council Act*:

- To advance commercialization of technology in British Columbia through focused support to startup companies and facilitation of partnerships between industry and academia;
- To work with willing partners in industry, academia, government and associations that support entrepreneurship and the development of entrepreneurial talent.

#### **Vision**

A strong and rapidly growing innovation economy, creating rewarding careers for British Columbians.

#### **Mission**

To strengthen British Columbia's economy by accelerating the growth of BC ventures through the support of entrepreneurs and technology companies.

### ***Corporate Governance***

#### **Role and Membership of the Board**

The Lieutenant Governor, through Order-in-Council, appoints the members of BCIC's board and delegates the role of the chair. The board chair reports to the British Columbia Legislative Assembly through the Minister of Technology, Innovation and Citizens' Services. The board of directors has five members:

- Derek Lew, Chair
- Robin Ciceri
- Lorraine Larkin
- Cheryl Slusarchuk

#### **Senior Management**

- Greg Caws, President & CEO
- Jennie Choboter, Chief Financial Officer
- Carl Anderson, Entrepreneur-in-Residence
- Tomica Divic, Managing Director, BCIC Operations

### ***Contact Information***

**Phone:** 604-683-2724

**Toll free:** 1-800-665-7222

[info@bcic.ca](mailto:info@bcic.ca)

[www.bctic.ca](http://www.bctic.ca)

## Appendix B: Crown Corporations Mandate and Actions Summary

In the 2015/16 Mandate Letter from the minister responsible, the BC Innovation Council received direction on strategic priorities for the 2015/16 fiscal year. These priorities and the Crown corporation's resulting actions are summarized below:

Mandate Letter Direction	BCIC's Action
Adhere to the Board Resourcing and Development Office policies and best practices.	BCIC continued to ensure consistency with the Board Resourcing and Development Office policies and best practices.
Refine and implement outcome-based metrics including measures of job creation and investment.	Measures used by BCIC in 2015/16 continue to evaluate aspects of participating companies' ability to progress toward job creation and investment. In addition, in 2015/16, BCIC contracted a research firm to conduct a survey of participants in six BCIC-funded programs, resulting in an Impact Assessment Report that will guide our work moving forward.
Build and maintain partnerships and diversify programming in order to strengthen entrepreneurship development in the BC Jobs Plan's priority sectors and to support regional expansion.	<ul style="list-style-type: none"> <li>• The BC Acceleration Network gained two new partners in 2015/16: Bioenterprise BC and e@UBC. There are now 14 delivery partners.</li> <li>• BCIC launched two new co-op programs, the Innovator Skills Initiative and the BC Tech Co-op Grants Program.</li> <li>• Another new program in 2015/16, BCIC Ignite, provides funding to accelerate commercialization of new technologies and innovations in the natural resources and applied sciences in BC.</li> </ul>
Align with the BC Technology Strategy which recognizes that technology enables growth in all sectors.	<p>BCIC activities are aligned with the actions outlined in the BC Technology Strategy. Specifically, BCIC:</p> <ul style="list-style-type: none"> <li>• Provided commercialization and entrepreneurship support through BCIC's Venture Acceleration Program.</li> <li>• Facilitated the expansion and ongoing development of regional innovation networks, including the BC Acceleration Network.</li> <li>• Focused on offering opportunities for students to gain hands-on experience in a startup environment.</li> <li>• Increased focus on driving commercialization of technologies that will support priority industries in which BC has a competitive advantage.</li> </ul>

## Appendix C: Strategic Engagement Plan



## STRATEGIC ENGAGEMENT PLAN

Between

**The Ministry of Technology, Innovation and Citizens' Services  
(MTICS)**

And

**The British Columbia Innovation Council  
(BCIC)**

### PURPOSE:

This Strategic Engagement Plan (the Plan) pertains to the new accountability assigned to deputy ministers with the release of *Taxpayer Accountability Principles: Strengthening Public Sector Governance and Accountability* (TAP) by the Government of British Columbia. The purpose of this accountability is for deputy ministers and public sector entities to work more effectively together and to hold those entities accountable for the outcomes and measurements identified by the minister responsible, in consultation with their respective board chairs.

This plan outlines engagement activities mutually agreed upon by MTICS and BCIC towards realizing the purpose outlined above.

### ACTIONS:

#### Minister Responsible – BCIC Chair:

- Meet annually to establish mandate accountabilities, outcomes and performance measures.
- Meet quarterly to discuss government's strategic priorities, BCIC's performance against TAP, operating results and ways to work together to protect the public interest.

#### Deputy Minister Responsible – BCIC President & CEO:

- Meet quarterly to:
  - Review progress towards achieving the specific priority actions identified in BCIC's annual mandate letter; and
  - Evaluate results of BCIC's *TAP Evaluation Plan* - to be fully implemented in 2015/16 - and address annual feedback from government on that plan.
- Meet regularly to:

- Discuss changes in existing BCIC programs and the development of new initiatives and services;
- Review interactions between BCIC and other provincial ministries and their agencies and discuss future opportunities for partnership;
- Evaluate the impact to government from changes in BCIC operations and strategies; and
- Evaluate the impact to BCIC related to changes in government policy and strategic priorities and consult on possible responses.

MTICS Executive Financial Officer – BCIC Chief Financial Officer:

- Meet quarterly to:
  - Review the quarterly financial forecast provided by BCIC to the Ministry of Finance.
  - Discuss potential risks and issues relating to BCIC's forecast that may impact government's fiscal plan and develop strategies to mitigate those risks.

MTICS Technology and Innovation Branch – BCIC Staff:

- Meet frequently to:
  - Discuss and respond to BCIC's operational requirements with regards to program development, Crown governance, and interactions with central government agencies (e.g. Treasury Board Staff, Cabinet Operations).

**REVIEW AND REVISION:**

The deputy minister responsible is accountable for reviewing and revising this plan from time-to-time, in consultation with the BCIC President & CEO.



January 13, 2017

Ref #: 105535

Derek F. Lew, Board Chair  
British Columbia Innovation Council  
9<sup>th</sup> Floor – 1188 West Georgia Street  
Vancouver, BC V6E 4A2

Dear Derek Lew:

This Mandate Letter confirms your organization's mandate, provides Government's annual strategic direction and sets out key performance expectations for the 2017/18 fiscal year.

On behalf of the Province of British Columbia (B.C.), thank you for your leadership and the contributions made by the British Columbia Innovation Council (BCIC) over the past year to provide continued support to the growth of the technology sector in British Columbia and the jobs it creates for British Columbians. I also want to thank you for efforts made towards implementing the recommendations of the BCIC Mandate Review and supporting the acceleration of commercialization in B.C.

Additionally, thank you for partnering with government in designing and delivering the very successful #BCTECH Summit 2016. Both Government and BCIC can be very proud of this successful partnership that has provided the BC tech sector with a forum for thought-provoking discussions, a display for BC tech innovations, and the networking that allowed a significant number of investment and business deals to be realized. With a turnout of over 3,500 participants, the event was the largest ever B.C. technology related event. I am looking forward to the #BCTECH Summit event in 2017 and have every confidence that our close collaboration on this initiative will once again lead to a very successful event.

B.C.'s Corporate Governance Framework takes a principles-based approach in providing direction for effective governance of ministries and Public Sector Organizations (PSOs). Since June 2014, the Taxpayer Accountability Principles (TAP) have provided guidance to ensure that the actions taken and services provided strengthen accountability and promote cost control while meeting the public policy objectives established by government on behalf of the citizens of B.C.

It is critical that PSOs operate as efficiently as possible, in order to ensure British Columbians are provided with effective services at the lowest cost possible. This requires constant focus on

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maintaining a cost-conscious and principled culture through the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. This is critical to Government's commitment to control spending and balance the budget.

Government is making open information a priority across the public sector to enhance government transparency and accountability in the use of public resources, the delivery of programs and public services.

Government provided the following mandate direction to BCIC under the *British Columbia Innovation Council Act*: to advance the commercialization of innovative technology in British Columbia through the implementation, administration and funding of programs, and the organization and management of projects and initiatives, that serve to further the growth and success of B.C. technology companies. BCIC also facilitates partnerships between industry and academia, and works with willing partners in industry, academia, government and associations to support entrepreneurship and the development of entrepreneurial talent.

In addition, the *#BCTECH Strategy* is Government's strategic plan to foster growth and innovation in the B.C. technology sector. Government has demonstrated commitment to the sector by establishing \$100-million BC Tech Fund, as part of the strategy, which will help fuel growth in the province's vibrant tech sector, creating a new avenue for early-stage BC tech companies to access venture capital financing. The *#BCTECH Strategy* also consists of initiatives to increase talent development and market access for tech companies that will drive innovation and job creation throughout the province.

To achieve its mandate and support the goals of the *#BCTECH Strategy*, BCIC is directed to take the following strategic priority actions for 2017/18:

- 1) Continue to refine and implement outcome-based metrics, including measures of job creation and investment, to assess the effectiveness of BCIC programs and initiatives aligned with Government priorities such as the *BC Jobs Plan* and *#BCTECH Strategy*.
- 2) Continue to build and maintain strategic partnerships with industry, academia and other governments in order to strengthen entrepreneurship development in priority sectors and support regional expansion, in alignment with the *BC Jobs Plan* and *#BCTECH Strategy*.
- 3) Support Government in the implementation of its *#BCTECH Strategy* by meeting with Government quarterly to:
  - a) Develop and implement programs and initiatives that directly support and accelerate technology commercialization in British Columbia;
  - b) Ensure BCIC programs align with Government strategic direction; and
  - c) Report on program outcomes.
- 4) Develop a strategy to increase public awareness of Government support for BCIC and its partners.

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The ongoing culture shift to principled public sector governance remains a priority for Government. PSOs are expected to undertake more comprehensive professional development to enhance orientation of their board members and senior executives. Government will be providing programming and resources designed to complement components of orientation to ensure understanding of the accountabilities and expectations of public sector boards and organizations. For detailed information about TAP directives, please refer to the following link, [Taxpayer Accountability Principles](#).

Government is committed to continue to revitalize the relationship between Government and PSOs. This strong focus on increased two-way communication supports and ensures a common understanding of Government's expectations. Timely communication of emerging issues which may affect the business of BCIC and/or the interests of Government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets. With the TAP embedded in the Annual Service Plans and Reports, this will support board chairs in assessing and communicating the organization's overall performance.

In addition, it is expected that your organization will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the public sector. Please refer to the following link for a summary of these accountabilities, [PSO Accountability Summary](#).

Each board member is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website, and a copy signed by all board members provided to the ministry and made available to the public upon request.

Sincerely,



Amrik Virk  
Minister

cc: Honourable Christy Clark  
Premier

Kim Henderson  
Deputy Minister to the Premier and Cabinet Secretary

Athana Mentzelopoulos  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

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Cheryl Wenezenki-Yolland  
Associate Deputy Minister  
Ministry of Finance

John Jacobson  
Deputy Minister  
Ministry of Technology, Innovation and Citizens' Services

Lorraine Larkin  
British Columbia Innovation Council

Salil Munjal  
British Columbia Innovation Council

Andrew Ying Chung Chan  
British Columbia Innovation Council

Larkin Ast-Mackenzie  
British Columbia Innovation Council

Shirley Vickers  
Chief Executive Officer  
British Columbia Innovation Council

Attachment: Taxpayer Accountability Principles

## B.C. Taxpayer Accountability Principles

Further information available at: <http://gov.bc.ca/crownaccountabilities>

<b>1</b>	<b>Cost Consciousness (Efficiency)</b>	Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to “bend the cost curve” and support sustainable public policies and programs as a lasting legacy for generations to come.
<b>2</b>	<b>Accountability</b>	Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government’s strategic mandate.
<b>3</b>	<b>Appropriate Compensation</b>	Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government’s taxpayer accountability principles and respectful of the taxpayer.
<b>4</b>	<b>Service</b>	Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs.
<b>5</b>	<b>Respect</b>	Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers’ monies.
<b>6</b>	<b>Integrity</b>	Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles.

## Board of Directors and Executive Team

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### Board of Directors



Derek Lew, Board Chair

Term Expiry: 2018-06-22

Derek Lew is a Partner with Initio Group, a Vancouver, BC-based early-stage angel investment firm, and a lawyer experienced in the areas of corporate, commercial and real estate law. Active in his community, he is a Director of the Frank and Joan Lew Charitable Trust and the FJL Housing Society, which focuses on matters related to social housing in Vancouver's Downtown Eastside. He is also an active member of the technology startup community in Vancouver. Professionally, he is a member of the Law Society of British Columbia. Derek holds a Bachelor of Arts from the University of British Columbia and a Bachelor of Laws from the University of Alberta.



Lorraine Larkin

Term Expiry: 2018-05-31

Lorraine Larkin is a Partner with Larkin & Nast Chartered Accountants, specializing in accounting, taxation and business consulting services for individuals, estates and corporations. She previously articulated with Coopers & Lybrand Chartered Accountants. Lorraine holds her Certified General Accountant designation and her Chartered Accountant designation.



Larkin MacKenzie-Ast

Term Expiry: 2019-09-30

Larkin MacKenzie-Ast is the General Manager of the Forum for Women Entrepreneurs (FWE), a national not-for-profit organization that educates, energizes and empowers female entrepreneurs. Previously, she was the Director of HR, Corporate Services with Canadian Forest Products Inc. (Canfor), and before that she was the Manager of the Board Resourcing and Development Office in the Premier's Vancouver Office. She is also a Strategic HR Consultant, specializing in strategic and human capital planning for small and medium-sized companies in Vancouver. Active in her community, Larkin sits on the HR MacMillan Space Centre Board of Directors, and volunteers her time with Vantage Point as a Governance and Strategic Planning workshop facilitator for not-for-profit boards. She holds her Bachelor of Arts from the University of British Columbia in Political Science, and her Project Management Professional (PMP) designation.



Salil Munjal

Term Expiry: 2019-09-30

Salil Munjal, ICD.D, is General Partner with Yaletown Partners – a firm consistently ranked as one of Canada’s most active private independent technology investors. Salil contributes over 20 years of experience in Canada’s private and public markets as an investor and executive who has helped to grow numerous successful technology companies. In August 2016, Salil was selected to chair of the TMX-backed Accelerating Innovation Roundtable – a group assembled to recommend actions to address scalability issues faced by Canadian technology firms. Earlier in his career, Salil was President and COO of Leitch Technology where he helped to grow the Canadian public company to more than a thousand employees with six global offices. Leitch was acquired for \$600 million by Harris Communications (now Imagine). Salil also served as managing director at Counsel Corporation, a diversified mid-market private equity firm based in Toronto and New York. He began his career as a corporate finance lawyer at Torgis LLP.



Andrew Chan

Term Expiry: 2018-09-30

Andrew Chan is the Chief Financial Officer at Eight Solutions Inc., a Vancouver-based technology company, specializing in data visualization and analytics software. Since joining the company in 2010, Andrew has raised significant private capital, taken the company public, and sold off one of its business units to a large multinational. Andrew’s has been immersed in technology and innovation throughout his career having worked at Raytheon, a Fortune 500 military defense company, and Electronic Arts, one of the biggest video game companies in the world. Andrew holds a Bachelor of Commerce degree from the University of British Columbia and is a designated CPA, CGA. In 2014 he was named a Forty Under 40 Winner by Business in Vancouver.

## Executive Team



Carl Anderson, President and CEO (interim)

Carl is a 38-year veteran of the technology industry with a strong history of entrepreneurial business leadership, excellent problem solving skills and a history of creative solutions. His technical background combines an Honours Physics degree with a Masters in Electronics Engineering and includes projects in antisubmarine warfare, fault tolerant nuclear controllers and hardware design for military and commercial applications.

Carl designed, implemented and ran the province's first entrepreneur incubator at SFU. He has started numerous companies, started and taken a company from bootstrap funding to an IPO and mentored continuously since his work at SFU. In Carl's previous role as Entrepreneur in Residence at BC Innovation Council, he worked on identifying and developing strategic initiatives and relationships of high value to BC technology entrepreneurs and innovators. He also worked on implementations of BCIC's cross sector strategy within the resource sectors that connects industry problems with innovative "problem solvers." He is excited to be leading BC Innovation Council during a pivotal time, where technology plays critical role in growing BC's economy.



Jenny Choboter, CFO

Jennie has over 30 years of extensive international experience in financial management and general corporate governance. She has held a number of senior financial management positions in a variety of industries including natural resources, technology, pulp and paper and insurance. Since 1998 she has been providing financial accounting consulting services to public and private companies including Sunward Resources Ltd. and Terrace Energy Corp. Jennie earned a Bachelor of Commerce degree from the University of Calgary and are a Chartered Accountant.



Sandra Wear, Managing Director, Marketing and Communications

Sandra brings a 15-year track record of building companies that capitalize market opportunities to the BC Innovation Council. Previously she was Founder of DocSpace, a SaaS company that was acquired for \$568M at close. She was also CEO & Founder of Atalum, a SaaS cleantech company, first-to-market with a standardized platform for managing controlling ZigBee wireless networks. Sandra has held executive positions in North America & Europe while playing a critical role in defining and executing market-driven corporate strategies. She has led marketing and business development efforts to diversify the customer base. She has worked with Fortune 500 companies at the CEO or VP level to identify opportunities for new products and markets. Sandra is actively engaged in the business sector and community endeavours. She is a Board Member of Science World and Member of the National Leadership Council for the Canadian Advanced Technology Association (CATA).

This Act is Current to April 26, 2017

This Act has "Not in Force" sections. See the Table of Legislative Changes.

# **BRITISH COLUMBIA INNOVATION COUNCIL ACT**

## **[RSBC 1996] CHAPTER 415**

### ***Contents***

- 1 Definitions
- 2 British Columbia Innovation Council
- 3 Objectives of council
- 4 Grants and funding
- 5 Reimbursement and remuneration of directors of council
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- 15 Fiscal year end
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- 17 Money received by the council
- 18 Power to make regulations

### **Definitions**

#### **1 In this Act:**

**"council"** means the British Columbia Innovation Council continued under this Act;

**"president"** means the president of the council.



## **British Columbia Innovation Council**

**2** (1) The British Columbia Innovation Council is continued consisting of

(a) no more than 15 directors appointed by the Lieutenant Governor in Council for a term not exceeding 3 years, and

(b) the president.

(2) The Lieutenant Governor in Council may designate a chair from among the directors.

(3) No person may be appointed under subsection (1) (a) to a term as director that, together with previous terms as director, would be longer than 6 consecutive years.

## **Objectives of council**

**3** The council must do all of the following:

(a) encourage development and application of advanced or innovative technology to meet the needs of industry in British Columbia including the implementation, administration and funding of programs and the organization and management of projects and initiatives that serve to further the objectives set out in this section;

(b) consider all matters brought to its attention by the minister and if required by the minister report its findings to the minister;

(c) formulate recommendations to the government respecting the acquisition, development and dissemination of scientific, technological and scholarly knowledge to promote the industrial, economic and social development of British Columbia,

- (d) advise the government on implementation of science policy;
- (e) gather and organize information on scientific research;
- (f) facilitate discussions on science policy with Canada or a province or with an interested person;
- (g) recommend to the government the establishment and awarding of fellowships, scholarships, exhibitions, bursaries, grants and prizes to encourage development of improved technology and retention of skilled research personnel in British Columbia;
- (h) evaluate research and development proposals and make recommendations to the government respecting funding of these proposals.

### **Grants and funding**

#### **4** The council may

- (a) make an award described in section 3 (g) for the purposes referred to in that section, and
- (b) fund a proposal described in section 3 (h).

### **Reimbursement and remuneration of directors of council**

- 5** Each director of the council must be reimbursed for reasonable travelling and out of pocket expenses necessarily incurred in the discharge of duties under this Act and may be paid remuneration for services that the Lieutenant Governor in Council orders.

### **President, officers and employees of the council**

- 6** (1) The council must appoint the president and determine the remuneration and other terms and conditions of employment of the president.

(2) The council is responsible for the administration of the council's business.

(3) The council may

(a) appoint or employ officers and other employees the council considers necessary to carry on its business and operations,

(b) define the duties of these officers and other employees and, subject to the regulations, determine their remuneration and other terms and conditions of their employment, and

(c) provide a system of organization to carry out the business of the council.

(4) The council may delegate to the president a power or responsibility described by subsection (3).

(5) The officers and employees appointed or employed under this section are officers and employees of the council during the term of their appointment or employment.

(6) Subject to this Act, the *Public Service Act* and the *Public Service Labour Relations Act* do not apply to the officers and employees of the council.

### **Transfer of public service or secretariat employees to the council**

**7** If immediately before appointment or employment under section 6 (3) an officer or employee of the council had been confirmed in employment under section 6 of the *Science Council Act*, R.S.B.C. 1979, c. 379, or under the *Public Service Act*, the officer or employee is entitled to all accrued superannuation or pension plan benefits in respect of that employment and to full credit for contributions made by the officer or employee or attributable to the former employer on behalf of the officer or employee in respect of that employment.

## **Public service seniority**

- 8** An officer or employee of the council who elects or has elected to be a public service employee under the *Public Service Act*, within 12 months after appointment or employment by the council, retains service seniority in the public service for the period of office or employment with the council.

## **Application of other Acts**

- 9** (1) The *Public Service Benefit Plan Act* applies to the officers and employees of the council.
- (2) The Public Service Pension Plan, continued under the *Public Sector Pension Plans Act*, applies to the council, its officers and employees.

## **Powers of council**

- 10** (1) Subject to the regulations, the council may
- (a) purchase material and equipment and maintain premises required by the council,
  - (b) regulate its own affairs and its practices and procedures, and
  - (c) publish documents and other materials.
- (2) Subject to the regulations, and if authorized by the council, the president or other officer may act on the council's behalf for the purposes of subsection (1) (a) and (c) and of subsection (3) (a).
- (3) Despite any enactment but subject to the regulations, the council may, on its own behalf,
- (a) engage or retain such persons as it considers necessary as consultants, experts or specialists and set their remuneration, and

(b) in addition to money appropriated for the purposes of the council by the Legislature, acquire money from any other lawful source and disburse, expend or otherwise deal with the money for the purposes of this Act.

(4) Canadian or other rights to or in respect of a discovery, invention or improvement in an art, process, apparatus, machine, manufacture or composition of matter may be

(a) acquired in the council's own name, or

(b) licensed, sold or otherwise granted or made available to others by the council.

(5) The council may pay or receive royalties, fees or other payments for rights described in subsection (4).

(6) The council may invest money in its hands as permitted under the provisions of the *Trustee Act* respecting the investment of trust property by a trustee.

### **Execution of documents by council**

**11** A document required to be in writing, and to which the council is a party, is deemed to be properly executed if the affixing of the council's name is witnessed by

(a) the signatures of the chair of the council and one other director of the council authorized by the council, or

(b) the signature of the president if authorized by the council.

### **Council is an agent of the government**

**12** (1) The council is for all purposes agent of the government and the powers of the council may be exercised only as agent of the government.

(2) The council is, as agent of the government, a legal entity.

## **Immunities**

**13** (1) An action for damages because of anything done or omitted to be done in good faith under this Act must not be brought against a director, officer or employee of the council

(a) in the performance or intended performance of any duty, or

(b) in the exercise or intended exercise of any power.

(2) Subsection (1) does not absolve the government from vicarious liability for an act or omission of

(a) the council,

(b) a director, officer or employee of the council, or

(c) a person who is subject to the direction of the council,

for which act or omission the government would be vicariously liable if this section were not in force.

(3) Subsection (1) does not absolve the council from vicarious liability for an act or omission of a person who is subject to the council's direction for which act or omission the council would be vicariously liable if this section were not in force.

## **Exemption of council from taxation**

**14** The council is not liable to taxation except to the extent that the government is liable.

## **Fiscal year end**

**15** The fiscal year end of the council is March 31.

## **Financial administration**

**16** (1) The council must establish and maintain an accounting system satisfactory to the Minister of Finance and must, whenever required by that minister, render detailed accounts

of its revenues and expenditures for such period or to such day as that minister may designate.

(2) Records of the council must at all times be open for inspection by the minister or such other person as the minister may designate.

(3) The Minister of Finance may direct the Comptroller General to examine and report to the Minister of Finance on any or all of the financial and accounting operations of the council.

(4) Unless the Auditor General is appointed in accordance with the *Auditor General Act* as the auditor of the council, the council must appoint a person authorized to be an auditor of a company under section 205 of the *Business Corporations Act* to audit and report on the accounts of the council at least once each year.

(5) The council must, within 90 days of the fiscal year end, submit annually to the minister in a form approved by the minister

(a) a report of the council on its operations for the preceding fiscal year,

(b) a financial statement showing the assets and liabilities of the council as of the end of the preceding fiscal year, and

(c) the annual report of the auditor of the council.

(6) The report and financial statement referred to in subsection (5) must be laid before the Legislative Assembly within 120 days after the end of the fiscal year for which the report and statement are made if the Legislative Assembly is then sitting, or within 15 days after the opening of the following session.

### **Money received by the council**

**17** Despite the *Financial Administration Act*, section 14 (1) of the *Financial Administration Act* does not apply to the council, its officers or its employees for the purposes of this Act.

### **Power to make regulations**

**18** The Lieutenant Governor in Council may make regulations referred to in section 41 of the *Interpretation Act*.

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## KNOWLEDGE NETWORK CORPORATION

### Mandate: As British Columbia's public education broadcaster:

- Carry on the business of broadcasting and communications to provide unique, quality educational programming to British Columbians.
- Promote life-long learning in British Columbia by providing quality educational programming.
- Inform and educate British Columbians about their province and about issues that are relevant to them.
- Provide British Columbians with a unique television experience.
- Collaborate with the independent television and web media production sectors in British Columbia.

### Governing Legislation:

- *Knowledge Network Corporation Act*
- The Knowledge Network Corporation has not identified any legislative priorities at this time.

### Financial Information (high level):

(\$000's)	2015/2016 Actual	2016/2017 (Forecast)	2017/2018 (Budget)	2018/2019 (Budget)	2019/2020 (Budget)
<b>Total Revenues</b>	\$12,939	\$12,670	\$12,230	\$12,110	\$11,993
<b>Total Expenses</b>	\$12,125	\$12,510	\$12,358	\$12,305	\$12,178
<b>Surplus from Operations</b>	\$814	\$160	(\$128)	(\$195)	(\$185)
<b>Endowment Contributions</b>	\$766	\$725	\$400	\$400	\$400
<b>Debt</b>	--	--	--	--	--
<b>Capital Assets and Broadcast Rights Acquired</b>	\$4,316	\$4,171	\$3,634	\$3,500	\$3,500
<b>Accumulated Surplus</b>	\$15,571	\$16,456	\$16,728	\$16,932	\$17,147

### Major Issues:

- The Province has agreed to fund KNC up to \$1 million over 4 years from government contingencies to produce series of short features on the History of British Columbia to coincide with Canada 150 celebrations in 2017 and culminating with BC150 celebrations in 2021. s.12
- s.12,s.16,s.17

s.12,s.16,s.17

**Appointment Status:**

- One appointment is required within the next 90 days. Three more are required before December 31, 2017.

**Appendixes:**

Appendix A – KNC Annual Service Plan 2017/18

Appendix B – KNC Annual Service Plan Report 2015/16

Appendix C – KNC Mandate Letter

Appendix D – KNC Board Members and Executive Team

Appendix E – *Knowledge Network Corporation Act*

# **Knowledge Network Corporation**

## **2017/18 – 2019/20 SERVICE PLAN**

February 2017



For more information on Knowledge Network Corporation contact:

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or visit our website at:

[Knowledge.ca](http://Knowledge.ca)

BRITISH  
COLUMBIA'S | **Knowledge  
Network:**

## Accountability Statement

The 2017/18 - 2019/20 Knowledge Network Corporation Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act* and the B.C. 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 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 January 31, 2017 have been considered in preparing the plan. The performance measures presented are consistent with the Taxpayer Accountability Principles, Knowledge Network Corporation'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 Knowledge Network Corporation's operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in black ink, appearing to read 'Nini Baird', with a stylized flourish at the end.

Nini Baird, C.M.

Chair, Knowledge Network Corporation Board of Directors

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## Strategic Direction and Context

The purposes of British Columbia's public educational broadcaster, as identified in the Knowledge Network Corporation Act, are to:

- Carry on the business of broadcasting and communications to provide unique, quality educational programming to British Columbians;
- Promote lifelong learning in British Columbia by providing quality educational programming;
- Inform and educate British Columbians about their province and about issues that are relevant to them;
- Provide British Columbians with a unique television experience; and,
- Collaborate with the independent television and web media production sectors in British Columbia.

Knowledge Network is in the second year of a three-year Strategic Plan, *Foundation: Content + Channels + Community* to support our public mandate. The plan has been designed to meet emerging challenges in competition, charitable giving and technology, while pursuing new opportunities for growth.

Our 2017/18 Mandate Letter will inform our actions in the coming year with three strategic priority actions:

1. Broadcast programming covering topics of interest to British Columbians such as: economic diversification with a particular focus on the growing technology sector in B.C.; jobs and skills; Asian trade and cultural awareness; First Nations communities and cultural awareness; health care sustainability including seniors' demographic shifts; early learning initiatives; emergency preparedness; and the environment, including climate change.
2. Expand the KNC website, Knowledge.ca, through the addition of curated arts and information content from trusted Canadian and international sources.
3. In the final year of a three year plan, self-finance the replacement of aging digital broadcast infrastructure.

Also, in 2017/18 we will expand Knowledge.ca by developing a 4<sup>th</sup> generation version of the web platform. It will enhance the user experience and facilitate additional arts and information content.

The Taxpayer Accountability Principles of cost consciousness (efficiency), accountability, appropriate compensation, service, respect, and integrity will guide our overall goals and strategies.

## Operating Environment

Knowledge Network is federally licensed by the Canadian Radio-television and Telecommunications Commission (CRTC) and provincially mandated by the Government of British Columbia. Knowledge Network is also a registered charity with the Canada Revenue Agency, engaging in fundraising activities through Knowledge Partners and the Knowledge Endowment Fund. Our Service Plan supports both our federal and provincial commitments, and identifies the opportunities and risks we face moving forward.

There are three primary risks that may have an impact on our public service in 2017/18:

1. Multi-platform broadcast rights
  - The increase in online streaming and video on demand (VOD) services is creating more competition for programs and their multi-platform rights, increasing costs and availability of content.
2. Audience behaviour
  - With audiences accessing content from platforms such as websites, apps and VOD, investments in multi-platform delivery are essential.
3. Revenue generation:
  - Charitable giving in Canada continues to decline amidst a growing number of charities seeking support.<sup>1</sup>
  - Consolidation of ownership by vertically integrated companies<sup>2</sup> has reduced market leverage for independent specialty services. CRTC regulatory changes have placed independent specialty services at a disadvantage resulting in less favourable pricing for BBC Kids.

The strategies identified in our Strategic Plan and 2017/18 Service Plan will help mitigate these risks within our operating environment.

---

<sup>1</sup> Blackbaud Index Canada notes giving in Canada is down -5.8% YOY as of September 2016.

<sup>2</sup> Ownership or control by one entity of both programming services, such as conventional television stations, or pay and specialty services, as well as distribution services, such as cable systems, fibre optic services or direct-to-home (DTH) satellite services.



## Performance Plan

### Goals, Strategies, Performance Measures and Targets

Our strategic goals and strategies address how we will compete, how we will grow and how we will build the foundation for a public broadcasting institution that will endure for generations to come. Each goal also reflects one or more of the Taxpayer Accountability Principles.

**Goal 1: Strengthen public broadcasting for British Columbians by increasing the unique and relevant content available on all Knowledge Network platforms.**

#### Strategies

1. Commission and pre-license more B.C. content.
2. Improve access to broadcast rights by investing in Canadian and international projects earlier through pre-buying and pre-licensing.
3. Increase children's content online by developing digital properties that support their social, emotional, and intellectual development (apps, games, e-books).
4. Expand Knowledge.ca by curating complementary content related to programming.

Performance Measures	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
<b>DIRECT INVESTMENT IN MULTI-PLATFORM CONTENT<sup>3</sup></b>	\$1,085,582	\$1,260,922	\$1,400,000	\$1,500,000	\$1,700,000
<b>INDIRECT INVESTMENT IN MULTI-PLATFORM CONTENT (FROM INDEPENDENT PRODUCTION FUNDS)<sup>4</sup></b>	\$1,211,584	\$1,369,010	\$1,000,000	\$1,350,000	\$1,500,000
<b>B.C. INDEPENDENT PRODUCTION BUDGETS SUPPORTED BY KNOWLEDGE NETWORK<sup>5</sup></b>	\$9,772,234 <sup>6</sup>	\$5,856,223	\$3,000,000 <sup>7</sup>	\$3,500,000	\$4,000,000

<sup>3</sup> The amount Knowledge Network directs annually from its budget for original content rights. Includes investment in television and online original content for both children and adults. The number of commissioned projects varies from year to year.

<sup>4</sup> Based on our investment in Canadian productions, Knowledge Network receives a funding envelope from the Canada Media Fund which we allocate to children's programming and documentaries. Knowledge Network also leverages funding from independent production funds such as the Telus Fund for projects where we are the lead broadcaster.

<sup>5</sup> This number represents all contributions to independent production budgets, including those committed by Knowledge Network in a fiscal year. It demonstrates the economic activity generated by independent production projects supported by Knowledge Network. Independent production budgets are comprised of funding from many sources, including domestic and international broadcasters, the Canada Media Fund, independent production funds and B.C. and Canada tax credits.

<sup>6</sup> Reflects the budget for an international, animated children's co-production supported by Knowledge Network. Projects of this scale are not the norm; targets for this measure will vary based on the non-cyclical nature of content production.

<sup>7</sup> Reflects information as of January 31, 2017. Targets will be adjusted due to the non-cyclical nature of content production in future reports.

## Discussion

The increase in available online streaming and VOD services is creating more competition for programs and their multi-platform rights. By playing a larger role in the creation of original programming, Knowledge Network will ensure a steady supply of unique, relevant content for its audiences. In 2017/18, we will begin production of *Living in HOpe*. The documentary series follows health care providers and their patients through a year of treatment at HOpe – Lions Gate Hospital’s mental health facility in North Vancouver. These efforts support the Cost Consciousness, Integrity and Service aspects of the Taxpayer Accountability Principles.

Plans are also underway to commemorate the 150<sup>th</sup> anniversary of British Columbia joining Confederation in 2021. Knowledge Network will celebrate with stories of the people, events and diverse cultures that have shaped British Columbia's rich history. The Government of B.C. will contribute to this special initiative by providing \$1 million in funding over a four year period leading up to B.C. 150.

### Goal 2: Attract new audiences in British Columbia.

#### Strategies

1. Grow baby boomer (ages 50-70) audiences through programming and marketing priorities.
2. Capture audiences from non-traditional platforms.
  - Market Knowledge’s “TV – Everywhere” offerings (websites, apps, VOD).
  - Seek carriage on emerging platforms (e.g. Apple TV, Chromecast).
3. Increase marketing efforts to strengthen the Knowledge brands.
  - Maintain presence at community events to drive awareness of Knowledge and Knowledge Kids to new audiences.
  - Target new audiences including different cultural communities through cross-platform marketing activities.

#### Television Channels (SD and HD)

Performance Measures		2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
<b>TOTAL REACH<sup>8</sup> (PEOPLE)</b>	<b>Knowledge Primetime</b>	2,373,000	2,400,000	2,300,000	2,300,000	2,300,000
	<b>Knowledge Kids<sup>9</sup></b>	1,637,000	1,500,000	1,500,000	1,400,000	1,400,000
<b>AVERAGE WEEKLY HOURS VIEWED<sup>10</sup></b>	<b>Knowledge Primetime</b>	1,329,015	1,300,000	1,250,000	1,250,000	1,250,000
	<b>Knowledge Kids</b>	438,421	375,000	375,000	350,000	350,000

<sup>8</sup> Unduplicated number (number of people exposed) of those viewing at least one minute of programming in the Vancouver Extended Market for Knowledge Primetime (viewers 2+, 6pm to 12am) and Knowledge Kids (viewers 2+, 6am to 6pm, M-F; 6am to 12pm, Sat-Sun) measured by Numeris Canada.

<sup>9</sup> The 2-8 demographic are consuming more content on other platforms (desktop computers, mobile and tablets).

<sup>10</sup> Averaged over fiscal year, the total number of hours of programming viewed per week in the Vancouver Extended Market measured by Numeris Canada.

## Web Channels

Performance Measures		2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
WEB SESSIONS <sup>11</sup>	Knowledge.ca	1,461,649	1,500,000	1,550,000	1,600,000	1,650,000
	KnowledgeKids.ca	485,170	500,000	550,000	600,000	650,000
	TOTAL	<b>1,946,819</b>	<b>2,000,000</b>	<b>2,100,000</b>	<b>2,200,000</b>	<b>2,300,000</b>
PAGE VIEWS <sup>12</sup>	Knowledge.ca	5,578,593	6,500,000	7,000,000	7,200,000	7,400,000
	KnowledgeKids.ca	1,269,002	2,800,000	3,000,000	3,200,000	3,400,000
	TOTAL	<b>6,847,595</b>	<b>9,300,000</b>	<b>10,000,000</b>	<b>10,400,000</b>	<b>10,800,000</b>

## App Channels

Performance Measures		2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
APP SESSIONS <sup>13</sup>	Knowledge App	44,199	95,000	105,000	110,000	115,000
	Knowledge Kids Go	332,477	1,000,000	1,100,000	1,125,000	1,150,000
	TOTAL	<b>376,676</b>	<b>1,095,000</b>	<b>1,205,000</b>	<b>1,235,000</b>	<b>1,265,000</b>
SCREEN VIEWS <sup>14</sup>	Knowledge App	113,041	230,000	270,000	310,000	350,000
	Knowledge Kids Go	3,886,263	12,000,000 <sup>15</sup>	12,750,000	13,250,000	13,500,000
	TOTAL	<b>3,999,304</b>	<b>12,230,000</b>	<b>13,020,000</b>	<b>13,560,000</b>	<b>13,850,000</b>

## Community Outreach

Performance Measures	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
B.C. COMMUNITY EVENTS	17 <sup>16</sup>	10	10	10	10
BRITISH COLUMBIANS ATTENDING COMMUNITY EVENTS (ESTIMATED NUMBER OF PEOPLE)	5,290 <sup>17</sup>	2,553	2,500	2,500	2,500

<sup>11</sup> Period of interaction between visitor's browser and website, ending when browser is closed. Measured using Google Analytics.

<sup>12</sup> View of a page on a website tracked by tracking code. There can be one or more page views per session. Measured using Google Analytics.

<sup>13</sup> A session is the period time a user is actively engaged with an app. All usage data (Screen Views, Events, Ecommerce, etc.) is associated with a session. Measured using Google Analytics.

<sup>14</sup> The total number of screens viewed. Repeated views of a single screen are counted. Measured using Google Analytics.

<sup>15</sup> Apple Canada featured Knowledge Kids Go in its App Store as "Best New App", app in February 2016, which accelerated downloads of the app across Canada.

<sup>16</sup> This year included an extraordinary number of events due to multiple screenings of *Haida Gwaii: At the Edge of the World* and CEO speaking opportunities.

<sup>17</sup> Due to venue and content availability, we hosted 4 Partner events in one fiscal year in 2015/16 (we usually host two).

## Discussion

Expanding digital platforms has allowed us to better serve the growing number of viewers, including kids and families, who increasingly access content through websites and apps. The most dramatic growth in our viewership has been on Knowledgekids.ca and the Knowledge Kids Go app. This has resulted in rapidly increasing bandwidth usage and associated costs. The increase of \$200,000 to our annual operating grant from the Government of B.C. will ensure that the quality public service British Columbians have come to expect on our television network extends to video streaming on the internet and mobile.

To capture audiences from internet and mobile platforms, we are developing a 4<sup>th</sup> generation web platform to meet the changing behaviours of our Knowledge.ca audience. By strengthening marketing efforts across multiple platforms and targeting key demographics, Knowledge Network will attract new viewers to its services. These efforts support the Accountability and Service aspects of the Taxpayer Accountability Principles.

**Goal 3: Increase self-generated revenues through donations from the public and from entrepreneurial initiatives.**

## Strategies

1. Explore opportunities to encourage more legacy gifts.
2. Align fundraising tactics and messaging with the philanthropic values of baby boomers emphasizing B.C. and Canadian identity of the Knowledge brand.
3. Expand fundraising appeals on new platforms to convert more Knowledge viewers and users to Knowledge Partners.
4. Develop a business model to offer Knowledge Network in new territories.
5. Protect BBC Kids revenue in the face of a changing regulatory environment (e.g. Pick and Pay).

Performance Measures	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
<b>KNOWLEDGE PARTNER DONATIONS<sup>18</sup></b>	\$4,020,000	\$4,100,000	\$4,000,000	\$4,000,000	\$4,000,000
<b>ENTREPRENEURIAL AND OTHER REVENUES<sup>19</sup></b>	\$550,000	\$400,000	\$400,000	\$475,000	\$475,000

<sup>18</sup> Measured by tracking total Knowledge Partners donations received annually.

<sup>19</sup> Knowledge Network receives revenues from an owned subsidiary. These target revenues are unconsolidated.

## **Discussion**

Significant changes in the operating environment for BBC Kids, including new CRTC broadcast policies, is putting pressure on revenue models for Canadian specialty services. We will continue to monitor industry and regulatory changes. Donations from Knowledge Partners support programming and promotion across all our platforms. The baby boom generation will be a key driver of charitable donations over the next 20 years. By understanding their values and attitudes, we will increase giving from this cohort to improve the long term sustainability of Knowledge Network as a public service. Increases in legacy giving to Knowledge Network are a critical part of meeting this goal. These efforts support the Cost Consciousness and Accountability aspects of the Taxpayer Accountability Principles.

**Financial Plan**  
**Summary Financial Outlook**  
**(Consolidated, \$000)**

	2015/16 Actual	2016/17 Forecast	2017/18 Budget	2018/19 Budget	2019/20 Budget
Provincial Operating Grant	6,260	6,259	6,708	6,851	7,088
Donations and Sponsorships	4,025	4,455	4,025	4,025	4,025
Revenue from Subsidiary Operations	1,483	1,376	952	669	300
Amortization of Deferred Contributions	335	300	300	300	300
Endowment Investment Income	491	220	200	220	220
Other Revenue <sup>20</sup>	345	60	45	45	60
<b>Total Revenues</b>	<b>12,939</b>	<b>12,670</b>	<b>12,230</b>	<b>12,110</b>	<b>11,993</b>
Programming and Presentation	1,916	2,100	1,978	1,987	1,993
Marketing and Development	2,143	2,300	2,290	2,307	2,318
Broadcast Platforms and Web Channels	2,380	2,166	2,184	2,198	2,206
Amortization of Broadcast Rights	2,846	3,157	3,213	3,313	3,513
Expenses from Subsidiary Operations	1,034	883	840	638	280
General <sup>21</sup>	538	635	591	591	591
Administration:					
President's Office	309	312	320	323	325
Board of Directors	34	33	34	34	34
Finance	489	476	461	465	467
Facilities	252	272	264	264	264
Human Resources	166	154	147	148	148
Other	17	23	36	37	37
<b>Total Expenses</b>	<b>12,125</b>	<b>12,510</b>	<b>12,358</b>	<b>12,305</b>	<b>12,178</b>
<b>Annual Surplus from Operations</b>	<b>814</b>	<b>160</b>	<b>(128)</b>	<b>(195)</b>	<b>(185)</b>
Endowment Contributions Received (held in trust) <sup>22</sup>	766	725	400	400	400
<b>Annual Surplus</b>	<b>1,580</b>	<b>885</b>	<b>272</b>	<b>205</b>	<b>215</b>
Total Liabilities	3,234	3,500	3,500	3,500	3,500
<b>Accumulated Surplus (Invested in Broadcast Rights &amp; Capital Assets, Endowment Fund)</b>	<b>15,571</b>	<b>16,456</b>	<b>16,728</b>	<b>16,932</b>	<b>17,147</b>
Capital Expenditures	4,316	4,171	3,634	3,500	3,500

<sup>20</sup> Includes channel management fee and unrealized and realized investment income.

<sup>21</sup> Includes amortization of equipment.

<sup>22</sup> Endowment contributions are held in trust and not treated as operating revenue.

## **Key Forecast Assumptions**

Knowledge Network has experienced an upward trend in charitable donations, even as charitable giving in Canada continues to decline amidst a growing number of charities seeking support. Combined with changing demographics and viewing habits, we expect donations to Knowledge Network to plateau within the next three years. In response to the current pressure on revenue models for Canadian specialty services, we have adjusted expenses for BBC Kids accordingly and will continue to closely monitor industry and regulatory changes. Over the next three years, Knowledge Network will continue to receive net income from the operations of the BBC Kids channel.

## **Management Perspective on Future Financial Outlook**

Knowledge Network's success is built on a foundation of support from our 38,000 donors and the Government of British Columbia. We are extremely grateful for the Government of British Columbia's significant contribution to our B.C. 150 project and their ongoing support of public broadcasting in B.C.

Our operating environment continues to change as on-demand streaming services become more popular with audiences. We plan to launch an expanded website early 2018 to deliver an improved audience experience including additional content and viewing incentives. This will include expanding online fundraising efforts.

Due to significant changes in the operating environment for BBC Kids, including new CRTC broadcast policies, revenues from the operation of our national specialty service have begun to decline. Recent regulatory changes have placed independent specialty services at a disadvantage resulting in less favourable pricing for BBC Kids. Our plans over the next three years ensure continued net income to Knowledge Network.

Our broadcast facility is essential for delivering our public service to British Columbians. The facility is aging and requires capital investments totaling \$600,000. We have invested \$150,000 in upgrades each year over the last two years, and will spend \$300,000 for the replacement of major components in 2017/18. Knowledge Network is self-funding the broadcast facility capital upgrade.

## **Appendix A:**

### **Hyperlinks to Additional Information**

[Corporate Governance](#)

[Organizational Overview](#)



## Appendix B:

### Subsidiaries and Operating Segments

#### Active Subsidiaries

Knowledge-West Communications Corporation (KWCC) was incorporated in 1981. KWCC owns and operates BBC Kids, a Canadian children's subscription channel. The CRTC approved KWCC's acquisition of assets for BBC Kids in April 2011. KWCC financial results are proportionately consolidated under Knowledge Network Corporation's audited financial statements.

BBC Kids is a commercial-free service reinforcing the values of both Knowledge Network Corporation and the BBC. KWCC adheres to the Taxpayer Accountability Principles and its activities are in alignment with KNC's mandate, strategic priorities and fiscal plan.

#### Board of Directors

Nini Baird, C.M., Chair  
Wendy Heshka, Vice-Chair  
Rudy Buttignol, C.M., Director  
Ann Sarnoff, Director  
Jeffrey Lee, Secretary

#### Senior Management

Rudy Buttignol, C.M., President  
Jeffrey Lee, Financial Officer

#### Operating Environment

Revenues from the operation of our national specialty service have begun to decline, due to significant changes in the channel's operating environment including new CRTC broadcast policies. Expenses for BBC Kids have been adjusted to ensure continued net income to Knowledge Network Corporation over the next three years. We will continue to closely monitor industry and regulatory changes.

#### Summary Financial Outlook

	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Revenue	1,483	1,198	952	669	300
Expenses	1,034	883	840	638	280
<b>Net Income</b>	<b>504</b>	<b>315</b>	<b>112</b>	<b>31</b>	<b>20</b>

# **Knowledge Network Corporation**

**2015/16**

## **ANNUAL SERVICE PLAN REPORT**



For more information on Knowledge Network Corporation contact:

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or visit us online at

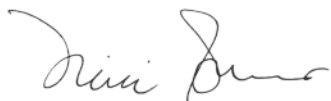
**[Knowledge.ca](http://Knowledge.ca)**

**[KnowledgeKids.ca](http://KnowledgeKids.ca)**

BRITISH  
COLUMBIA'S | **Knowledge  
Network:**

## **Board Chair's Accountability Statement**

The *Knowledge Network Corporation 2015/16 Annual Service Plan Report* compares the Corporation's actual results to the expected results identified in the *2015/16 - 2017/18 Service Plan*. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read 'Nini Baird', with a stylized flourish at the end.

Nini Baird, C.M.

Chair, Knowledge Network Corporation Board of Directors

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## Chair/CEO Report Letter



Nini Baird, C.M.  
Board Chair

On behalf of the Board of Directors, we are pleased to submit Knowledge Network Corporation's 2015/16 Annual Service Plan Report.

It's been another successful year for British Columbia's public broadcaster. Knowledge Network has supported B.C. stories and filmmakers from across the province and expanded web platforms to engage audiences anytime, on any device.



Rudy Buttignol, C.M.  
President & CEO

The strategic priorities in our 2015/16 Mandate Letter have been completed, and include three major initiatives. *Haida Gwaii: At the Edge of the World*, an original commission by Knowledge Network, has become an audience favourite in B.C. and across Canada (Mandate Letter: B.C. First Nations culture and issues and environmental issues). Featuring members of the Haida Nation, the documentary tells the story of a dedicated community uniting to protect land and sea for the next

generation. Knowledge Network hosted preview screenings of the award-winning program to appreciative audiences at the Haida Heritage Centre in Skidegate and a Haida carver's longhouse in Old Masset.

*Dreamers and Dissidents*, also an original Knowledge Network commission, brought stories from the Kootenays to B.C. audiences (Mandate Letter: cultural awareness, First Nations culture and issues). The series of short films explores the region's history through personal stories of individuals who have lived in the Kootenays over the past century. Knowledge Network hosted advance screenings for local communities at the historic Nelson Civic Theatre.

In December we launched Knowledge Kids Go, our newest app, with hundreds of full length videos and games based on trusted Knowledge Kids content (Mandate Letter: development of mobile app and second generation website for young children and parents). Free to download, with no in-app purchase required and free of advertising, Knowledge Kids Go has become a hit with kids and parents. In February it was named Best New App in Canada by the App Store.

With our success as a multi-platform public broadcaster come new risks. Upgrades to our digital broadcast infrastructure, now eight years old, have been self-financed through Knowledge Network's existing revenue streams. However, as more and more viewers consume content online through our web and mobile services, there is a correspondingly dramatic increase in bandwidth and storage costs. With our websites and apps now generating the greatest audience growth, paying for increased bandwidth to continue to operate and invest in these services is becoming a significant challenge.

Knowledge Network is in alignment with government direction through our Mandate Letter. Our Taxpayer Accountability Strategic Engagement Plan included the following actions:

- Review and approval of annual operating budget by Board of Directors.
- Quarterly financial review by Board members, provided by Director of Finance.
- Quarterly review of all department expenditures by Director of Finance.
- Adhere to PSEC compensation guidelines.
- Communicate strategic priorities and financial information to the public, available at Knowledge.ca.
- Ensure all audience enquiries receive a response within 48 hours.
- Ensure new Board members receive a detailed orientation including responsibilities under the Taxpayer Accountability Principles. Encourage Board members to attend professional development opportunities including: Crown Director Effectiveness Course by the Institute of Corporate Directors, Emerging and Evolving Audit Committee Course by the Institute of Corporate Directors, and the Provincial Government's All Board of Directors Professional Development Meeting.
- Review and discuss Board governance principles annually with the Board.
- Ensure decisions of the Board of Directors and senior management are fully transparent to the public through Service Plans and Annual Reports, available at Knowledge.ca.

The systems and structures we have in place ensure British Columbians receive an efficient, trusted broadcast service that provides valuable content in the public interest.

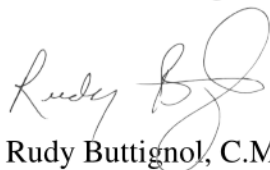
Knowledge Network is a viewer supported public broadcaster. Our achievements were made possible by the ongoing support of the Government of British Columbia. We are most grateful for the financial contributions from our loyal donors across the province, and were inspired by their enthusiastic attendance at Knowledge Partner events in Kelowna, Nanaimo, Saanich and Victoria.

The Board of Directors and staff are very proud of all that was achieved in 2015/16. We look forward to working with the Government of B.C. and all British Columbians in the year ahead.



Nini Baird, C.M.

Chair, Knowledge Network Corporation Board of Directors



Rudy Buttignol, C.M.

President and CEO, Knowledge Network Corporation



## Purpose

British Columbia's Knowledge Network is a viewer-supported public broadcaster. Our mission is to provide all British Columbians with a trusted alternative for the commercial-free exploration of life, connecting them to the world through television, web, and mobile platforms.

Knowledge Network delivers educational content to British Columbians through mandatory carriage on cable, direct-to-home satellite, and IPTV services. Content is also available through streaming video at Knowledge.ca, KnowledgeKids.ca, the Knowledge app and the Knowledge Kids Go app. We develop, license, and commission filmmaker-driven documentaries for broadcast on Knowledge Network's content platforms. We serve as a resource for independent producers across traditional and interactive media sectors for the creation of multi-platform content.

## Enabling Legislation

Knowledge Network is a Crown corporation, created in 2008 under the Knowledge Network Corporation Act.

## Subsidiaries

Knowledge-West Communications Corporation (KWCC) owns and operates BBC Kids, a Canadian children's subscription channel. BBC Kids is a commercial-free service reinforcing the values of both Knowledge Network and the BBC.

For further information on Knowledge Network Corporation please see Appendix B.

## Strategic Direction and Context

Knowledge Network's 2015/16 Mandate Letter identifies four strategic priorities with the Taxpayer Accountability Principles as an overarching government priority.

1. *Curate and broadcast the 2015/16 broadcast schedule to feature the following B.C. challenges: Seniors' demographic shifts; early learning initiatives; Asian trade and cultural awareness; health care sustainability; First Nations culture and issues; environmental challenges; economic issues.*
2. *Launch a new, multiplatform documentary series on B.C. paramedics in partnership with B.C.'s independent television and interactive producers.<sup>1</sup>*
3. *Develop a mobile app and second generation website for young children and parents.*
4. *Self-finance and upgrade digital broadcast infrastructure.*

---

<sup>1</sup> Due to the popularity of the first season of *Emergency Room: Life + Death at VGH*, we advanced our plans for a second season.

Knowledge Network operates a multi-platform broadcast service. While most British Columbians still watch television by traditional means, many are turning to new platforms and devices connected to the internet for their viewing needs. We have responded to the changing behaviours of our audiences by expanding broadcast platforms. With more viewers accessing content online, broadband costs are increasing. Costs escalated significantly after the launch of the second generation Knowledge Kids website and the Knowledge Kids Go app and will continue to increase.

Knowledge Network receives generous support from donors across the province that funds programming on our public service. We monitor activity in the charitable giving environment, and are seeing some concerning trends. While donations to Knowledge Network have been growing, the Blackbaud Index Canada revealed an industry-wide 6.2% decrease in charitable giving in Canada from March 2015 to March 2016. The long-term trend in the charitable sector is larger gifts from a declining number of donors. In response to this trend, we introduced new initiatives to steward and engage with our donors, including a formalized email strategy.

## **Report on Performance**

The four strategic priorities in our 2015/16 Mandate Letter have been completed. The actions in our Taxpayer Accountability Strategic Engagement Plan were developed in consultation with our Ministry and have also been completed.

Our performance goals and strategies are based on our 2013-2016 Strategic Plan *Engaging You, British Columbia*. This was the final year for this three-year strategic plan.

## **Goals, Strategies, Measures and Targets**

**Goal 1:**        *Expand digital platforms to serve audiences anywhere, anytime.*

Media consumption patterns and new technologies continue to evolve rapidly. Our viewers now expect access to high quality content, anywhere and anytime they choose. To maintain its relevance, Knowledge Network must ensure its presence on new platforms as they are adopted by consumers.

### **Strategies**

1. Expand carriage of High Definition channel.
2. Develop mobile Apps for Knowledge.ca and KnowledgeKids.ca.

## Performance Measures:

Performance Measures		2012/2013 Actual	2013/2014 Actual	2014/2015 Actual	2015/2016 Target	2015/2016 Actual	2016/2017 Target	2017/2018 Target
<b>TOTAL REACH<sup>2</sup></b> (TV Audience)	<b>Knowledge Primetime</b>	2,483,000	2,637,000	2,560,000	2,275,000	<b>2,373,000</b>	2,275,000	2,275,000
	<b>Knowledge Kids</b>	1,775,000	1,842,000	1,800,000	1,600,000	<b>1,637,000</b>	1,500,000	1,500,000
<b>AVERAGE WEEKLY HOURS VIEWED<sup>3</sup></b>	<b>Knowledge Primetime</b>	1,210,870	1,454,410	1,450,250	1,400,000	<b>1,329,015</b>	1,350,000	1,350,000
	<b>Knowledge Kids</b>	307,740	468,546	510,862	450,000	<b>438,421</b>	400,000	375,000
<b>WEB VISITS<sup>4</sup></b>	<b>Knowledge.ca</b>	903,650	1,044,827	1,213,420	1,000,000	<b>1,461,649</b>	1,600,000	1,700,000
	<b>KnowledgeKids.ca</b>	477,237	398,926	255,110	225,000	<b>485,170</b>	525,000	550,000
	<b>TOTAL</b>	1,380,887	1,423,753	1,468,530	1,225,000	<b>1,946,819</b>	2,125,000	2,250,000
<b>WEB PAGE VIEWS<sup>5</sup></b>	<b>Knowledge.ca</b>	3,009,248	5,249,000	5,428,752	4,600,000	<b>5,578,593</b>	5,700,000	5,800,000
	<b>KnowledgeKids.ca</b>	929,951	732,203	575,799	450,000	<b>1,269,002</b>	2,750,000	3,000,000
	<b>TOTAL</b>	3,939,199	5,981,203	6,004,551	5,050,000	<b>6,847,595</b>	8,450,000	8,800,000
<b>TOTAL HOURS ON SITE<sup>6</sup></b>	<b>Knowledge.ca</b>	252,617	373,061	457,955	400,000	<b>564,636</b>	600,000	650,000
	<b>KnowledgeKids.ca</b>	138,105	124,633	80,440	70,000	<b>130,526</b>	180,000	200,000
	<b>TOTAL</b>	390,722	497,694	538,395	470,000	<b>695,162</b>	780,000	850,000

<sup>2</sup> Unduplicated number of those viewing at least one minute of programming in the Vancouver Extended Market for Knowledge Primetime (6pm to 12am) and Knowledge Kids (6am to 6pm, M-F; 6am to 12pm, Sat and Sun) measured by Numeris Canada.

<sup>3</sup> Averaged over the course of the fiscal year, the total number of hours of programming viewed per week in the Vancouver Extended Market measured by Numeris Canada.

<sup>4</sup> Period of interaction between visitor's browser and a website, ending when the browser is closed. Measured using Google Analytics.

<sup>5</sup> View of a page on a site tracked by a tracking code. There can be one or more page views per session. Measured using Google Analytics.

<sup>6</sup> The total aggregate time spent on Knowledge.ca and KnowledgeKids.ca by all visitors in hours.

## Discussion

While Knowledge Network's Total Reach on television remains strong, Average Weekly Hours Viewed on television decreased by 5.3% for primetime and 2.6% for Knowledge Kids. With internet TV viewing on the rise, we are seeing a gradual shift as viewers move from our linear service to our websites and apps. Both Knowledge.ca and KnowledgeKids.ca experienced significant growth across all performance measures. In 2015/16 we launched the Knowledge app, the Knowledge Kids Go app, and the second generation website KnowledgeKids.ca, offering more options for viewers to watch Knowledge Network content. Over the last four years, Knowledge Network has seen dramatic increases in online viewership.

This goal supports the Taxpayer Accountability Principles by ensuring Knowledge Network delivers a cost-efficient, effective public service for British Columbians. Based on the actuals, targets have been updated from those noted in our 2015/16 Service Plan.

***Goal 2: Commission original British Columbian content in partnership with independent producers for multi-platform delivery.***

The independent production community continues to be a key partner in the creation of original content. Growth in Knowledge Network's access to external project funding together with independent producers' developing expertise in multi-platform storytelling will help ensure that we can share B.C. stories on the platforms consumer's desire.

**Strategies**

1. Invest in British Columbian stories for distribution on multiple platforms.
2. Develop the intellectual property of the Knowledge Kids' characters, Luna, Chip, and Inkie, to create new content for children and families.

**Performance Measures:**

Performance Measures	2012/2013 Actual	2013/2014 Actual	2014/2015 Actual	2015/2016 Target	2015/2016 Actual	2016/2017 Target	2017/2018 Target
<b>BUDGET COMMITMENT TO ORIGINAL MULTI-PLATFORM CONTENT<sup>7</sup></b>	\$850,000	\$960,280	\$1,291,340	\$950,000	<b>\$1,085,582</b>	\$1,000,000	\$1,000,000
<b>B.C. INDEPENDENT PRODUCTION BUDGETS SUPPORTED BY KNOWLEDGE NETWORK<sup>8</sup></b>	\$2,300,000	\$12,000,000 <sup>9</sup>	3,231,450	\$2,400,000	<b>\$9,772,234<sup>10</sup></b>	\$2,450,000	\$2,450,000

<sup>7</sup> Knowledge Network funding of independent productions of original content for television and other media platforms.

<sup>8</sup> This number represents all contributions to independent production budgets, including those committed by Knowledge Network in a fiscal year. Independent production budgets are comprised of funding from many sources, including domestic and international broadcasters, the Canada Media Fund, private media funds and B.C. and Canada tax credits.

<sup>9</sup> Reflects the budget for an international, animated children's co-production supported by Knowledge Network.

<sup>10</sup> Reflects the budget for an international, animated children's co-production supported by Knowledge Network. Projects of this scale are not the norm; targets for this measure will vary based on the non-cyclical nature of content production.

**Discussion**

Knowledge Network invested in 22 original multi-platform projects, supporting the development and production of content that inspires, informs and engages our audiences. Projects include *Space Suite II* in partnership with B.C.'s Two Story Productions, a second season of *Kate and Mim Mim* in partnership with DHX Media and animated in Vancouver, and the documentary *Shut Up and Say Something: A Shane Koyczan Story* in partnership with B.C.'s Stranger Productions.

The budgets for these documentaries are included in our performance measure for Total B.C. Production Budgets. This goal supports the Taxpayer Accountability Principles by ensuring Knowledge Network is accountable and our actions are aligned with government's strategic mandate.

### ***Goal 3: Engage audiences through personalized, interactive social experiences***

To be sustainable over the long term, Knowledge Network must enhance our ability to engage and attract audiences. By leveraging the most popularly adopted media platforms, we will strengthen our relationship with our 1.4 million weekly viewers by creating personalized experiences with our brand.

### **Strategies**

1. Develop interactive initiatives to “pull” viewers into our websites and social networks so that they may engage and interact with our content, complementing the traditional broadcast experience of “pushing” content out.
2. Launch personalization features on our web and mobile platforms that are driven by user preferences that encourage participation, such as personal playlists and schedules, recommendations, polls, ratings, and commenting.

### **Performance Measures:**

Performance Measures	2012/2013 Actual	2013/2014 Actual	2014/2015 Actual	2015/2016 Target	2015/2016 Actual	2016/2017 Target	2017/2018 Target
COMMUNITY EVENTS <sup>11</sup>	8	15	9	8	17	8	8
REGISTERED USERS ON KNOWLEDGE.CA <sup>12</sup>	N/A	BENCHMARK YEAR	2661	2,000	11,129	12,000	13,000
NUMBER OF GAMES PLAYED AT KNOWLEDGEKIDS.CA <sup>13</sup>	539,112	464,474	384,086	300,000	375,613	400,000	450,000

<sup>11</sup> Number of events hosted and sponsored by Knowledge Network in B.C. communities

<sup>12</sup> Number of registered users on Knowledge.ca

<sup>13</sup> Measured using Google Analytics, through user interactions with content tracked from a web page or screen load.

### **Discussion**

Knowledge Network participated in a significant number of community outreach activities across the province, supporting local filmmakers and engaging with Knowledge Partners. The Knowledge Network commissioned documentary *Haida Gwaii: On the Edge of the World* created unique opportunities for screenings in different communities.

Events included:

- Chilliwack - President and CEO Presentation to the Chilliwack Rotary Club
- Kamloops – Kamloops Canadian and International Film Festival featuring the Knowledge commissioned documentary *Haida Gwaii: On the Edge of the World*
- Kelowna - President & CEO Presentation to Kelowna Roundtable
- Kelowna – Knowledge Partner advance screening and reception
- Nanaimo - Knowledge Partner advance screening and reception
- Nelson – special screenings with local filmmaker of the Knowledge Network commissioned documentary *Dreamers and Dissidents*.
- Old Massett - special screening featuring the Knowledge Network commissioned documentary *Haida Gwaii: On the Edge of the World*
- Saanich – Knowledge Partner advance screening and reception
- Skidegate – special screening featuring the Knowledge Network commissioned documentary *Haida Gwaii: On the Edge of the World*
- Surrey – Canada Day Festival featuring Knowledge Kids
- Vancouver – President and CEO Presentation to Vancouver Women’s Probus Club
- Vancouver - President and CEO Presentation to Probus Vancouver
- Vancouver – Knowledge Network 2015 broadcast season launch event
- Vancouver – Vancouver International Film Festival featuring the Knowledge Network commissioned documentary *Haida Gwaii: On the Edge of the World*
- Vancouver – Knowledge Kids presented Wild Kratts Live!
- Victoria - Knowledge Partner advance screenings and reception (2 screenings)

The introduction of Watch Live, the streaming video of our linear channel at Knowledge.ca, contributed to the significant increase of Registered Users. We have seen a dramatic increase in Number of Games Played at Knowledgekids.ca since the launch of our second generation website in December.

Based on the actuals, targets have been updated from those noted in our 2015/16 Service Plan.

***Goal 4: Strengthen the Knowledge Network brand story and share it.***

Knowledge Network has grown from a single analogue television channel to a media network with multiple channels and web offerings. It’s imperative that current and prospective audiences identify Knowledge Network as a broadcasting and communication service that keeps pace with change and is dedicated to serving audiences anywhere, anytime. Now more than ever, the power of online networks offers a cost effective way to tell our brand story to a broader audience.

**Strategies**

1. Brand Knowledge Network as British Columbia’s multi-channel, multi-platform, commercial-free public broadcast service; and strengthen its appeal as an organization with charitable status.

2. Broaden awareness of Knowledge Kids by participating in events targeted at children and families.
3. Maintain, and where possible, improve the presence and visibility of Knowledge Network throughout the province with events in and outreach to B.C.'s diverse cultural communities.

### Performance Measures:

Performance Measures	2012/2013 Actual	2013/2014 Actual	2014/2015 Actual	2015/2016 Target	2015/2016 Actual	2016/2017 Target	2017/2018 Target
PUBLIC AWARENESS OF BRITISH COLUMBIA'S KNOWLEDGE NETWORK <sup>14</sup>	N/A	66%	66%	66%	66%	66%	66%

<sup>14</sup> Measured in spring 2016 using the Ipsos Reid Provincial Online Omnibus.

### Discussion

As audiences continue to fragment in the digital world, maintaining our percentage of brand awareness in British Columbia is an achievement. Competition for audiences is increasing with significant expansion of media choices. An annual omnibus survey was conducted in March 2016 and included the question, "*Have you heard of British Columbia's Knowledge Network?*" 66% of British Columbians reported yes, which has been consistent over the last three years.

### ***Goal 5: Increase revenue through entrepreneurial and philanthropic initiatives.***

Knowledge Network will continue to improve its long term sustainability. We will build on the success of the BBC Kids channel acquisition by seeking out new opportunities to generate entrepreneurial revenue that can, in turn, support the public service. The new systems we now have in place will allow us to expand our philanthropic initiatives in ways that previously were not viable.

### Strategies

#### ***Philanthropic***

1. Convert a larger percentage of our 1.4 million weekly viewers to donors by employing new solicitation approaches enabled by our constituent relationship management database.
2. Retain current donors by strengthening relationships through personalized stewardship, increased interaction online and at face to face events, resulting in a higher renewal rate, increased gift size, and more additional gifts.
3. Continue our Major Gift and Legacy Gift programs with individual donors.

4. Identify and develop opportunities for corporate financial support.

### **Entrepreneurial**

1. Explore revenue generating opportunities for expanded carriage of the Knowledge Network signal in new markets.
2. Develop partnership opportunities that leverage our broadcasting strengths and align with our competencies.

### **Performance Measures:**

Performance Measures	2012/2013 Actual	2013/2014 Actual	2014/2015 Actual	2015/2016 Target	2015/2016 Actual	2016/2017 Target	2017/2018 Target
<b>KNOWLEDGE PARTNER DONATIONS<sup>15</sup></b>	\$3,413,181	\$3,490,069	\$3,889,552	\$3,500,000	<b>\$4,020,000</b>	\$3,900,000	\$3,900,000
<b>OTHER BUDGETED REVENUES<sup>16</sup></b>	\$350,000	\$550,000	\$550,000	\$550,000	<b>\$550,000</b>	\$550,000	\$550,000

<sup>15</sup> Measured by tracking total Knowledge Partners donations received annually.

<sup>16</sup> From entrepreneurial initiatives including channel management fees.

### **Discussion**

The Knowledge Partners Annual Fund donations exceeded expectations surpassing \$4 million dollars. This is an increase of 3.43% over last year. Our overall donor base increased 2.5% and monthly recurring gifts now account for more than 30% of our annual fund revenue. These results are significant given the philanthropic climate in Canada over the last twelve months. As noted earlier, there has been an industry-wide decrease in charitable giving in Canada this past year. We also introduced a formalized email strategy to increase donor engagement and diversify donation revenue streams. In the fall of 2015, a contest to win a trip for two to Australia was very successful in growing online donations, driven principally by a new email strategy.

Knowledge Network receives an annual service fee for the management and operation of BBC Kids, a national children's subscription channel. BBC Kids is a joint-venture between BBC Worldwide and Knowledge Network Corporation.

This goal also supports the Taxpayer Accountability Principles by ensuring Knowledge Network delivers a cost-efficient, effective public service for British Columbians. Based on the actuals, targets have been updated from those noted in our 2015/16 Service Plan.



## Financial Report

### Discussion of Results

One of Knowledge Network's strategic goals was to increase self-generated revenues. We accomplished this by earning \$4.5 million from charitable donations, media partnerships, and revenues from BBC Kids. Of the \$814,000 surplus, over half represents endowment investment income.

The \$15 million in assets reflects our core business:

- Broadcast rights – we have a program inventory of over \$9 million.
- Tangible capital assets – we have over \$2 million of broadcast servers and other equipment.
- Endowment investments – we have a restricted endowment fund, supported through bequests and major gifts, that has reached approximately \$4 million.

We are continually investing in B.C.'s public broadcaster to provide a trusted, quality public service for audiences across the province. Operating costs are increasing, specifically for broadband, as more viewers are consuming content online through our websites and apps. Our web platforms are now generating the greatest audience growth.

#### Donations and Sponsorships

Donations from Knowledge Partners were \$500k more than budgeted, and \$119k more than last fiscal. This can be attributed to the introduction of a formalized email strategy to increase donor engagement and diversify donation revenue streams.

#### Subsidiary Operations - Revenue

Subsidiary revenues were (\$80k) less than budgeted and (\$62k) less than last fiscal. In the kids' market, linear television services are starting to contract as young viewers turn to web-based platforms for content.

#### Amortization of Deferred Contributions

During the year, actual deferred contributions amortized were (\$119k) less than budget and (\$176k) less than last fiscal. This is due to amortization now estimated to be over six years, instead of four years, to match the terms of recent programs.

#### Other Revenue

Other revenue was \$452k more than budgeted and \$327k more than last fiscal. This is due to realized gains on U.S. investments of \$294k, held in the Knowledge Network Endowment Fund, and endowment income earned \$133k more than budget.

#### Salaries and Benefits

Salaries and benefits were \$208k more than budgeted and \$251k more than last fiscal. This is due to a severance that was accrued not budgeted, and the addition of 1.5 FTE's not budgeted. The increase over last fiscal is due to new positions hired to support Web Channels and Marketing.

### Amortization of Capital Assets and Broadcast Rights

Amortization expense was (\$227k) less than budgeted and (\$155k) less than last fiscal. This was due to recent program rights that were acquired for six year terms instead of four year terms.

### Marketing and Development

These expenses were \$41k more than budgeted and \$182k more than last fiscal. The budget variance is due to media relations services acquired to support the second season of *Emergency Room: Life and Death at VGH*.

Variances compared to last fiscal are due mainly to the following:

Media relations for <i>Emergency Room: Life and Death at VGH</i>	48,054
Partners' contests and online fundraising	30,394
Partners' events in Victoria, Nanaimo, Kelowna, and Saanich	29,053
Production of Leadership Circle videos	25,175
Mailing costs	18,077
Telemarketing service	14,345
Software maintenance	12,494
<b>Total</b>	<b>177,593</b>

### Subsidiary Operations - Expenses

Subsidiary expenses were (\$123k) less than budgeted and (\$8k) less than last fiscal due to lower costs in a variety of areas.

### Programming and Presentation

Expenses were \$100k more than budgeted, and (\$31k) less than last fiscal. During the course of the year, new projects/activities were expended but not budgeted:

Captioning	29,794
New music IDs	27,860
New B.C. footage	16,902
Cameras, computers, other equipment	15,385
On-air music for Partners	8,200
<b>Total</b>	<b>98,140</b>

### Broadcast Platforms and Corporate IT

These expenses were \$254k more than budgeted and \$176k more than last fiscal. During the course of the year, these new projects/activities were expended but not budgeted (some of these costs were higher as they were paid in U.S. funds):

Bandwidth costs for video streaming	122,103
Switches, satellite monitoring equipment, computers, monitors, audio visual equipment	54,900
Broadcast software maintenance and support	16,829
Computers and other testing equipment	14,591
Corporate software maintenance and support	13,980

Software licenses	9,122
Google analytics for K:Kids Go app	7,670
Total	<u>239,196</u>

The increases over last fiscal are due to:

Bandwidth costs for video streaming	79,701
Software maintenance and support	34,355
Broadcast equipment	33,004
Corporate internet	9,915
Google analytics for K:Kids Go app	7,670
Software licenses	7,153
Total	<u>171,799</u>

Canadian dollars were converted to U.S. dollars to pay for some of these costs.

#### General

General expenses were (\$214k) less than budgeted and (\$32k) less than last fiscal. This fiscal's budget had an unallocated amount of (\$227k) that was used to fund projects/activities during the year. Actual costs were not recorded as General expenses, but instead charged to appropriate areas.

#### Administration

Administration costs are detailed as:

Building lease and operating costs	252,400
Finance, Human Resources, and Other	144,021
President's Office and Board	50,705
Total	<u>447,126</u>

#### Endowment Contributions

It is difficult to predict when endowment contributions will be received due to their confidential nature. Endowment contributions received were \$466k more than budgeted and (\$383k) less than last fiscal.

#### Capital Expenditures

This represents broadcast rights that were \$777k more than budgeted and \$961k more than last fiscal. As per our strategic plan, increased investments were made to license British Columbia-based stories and documentaries.

## Financial Resource Summary Table

(Reported on '000)

	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Actual	Variance to 2015/16 Budget	Variance to 2014/15 Fiscal
Provincial Operating Grant	6,504	6,410	6,410	6,260	6,260	6,260	6,260	-	-
Donations and Sponsorships	2,902	3,160	3,439	3,531	3,906	3,525	4,025	500	119
Revenue from Subsidiary Operations	-	1,310	1,430	1,387	1,546	1,563	1,483	(80)	(62)
Amortization of Deferred Contributions	442	461	353	472	511	454	335	(119)	(176)
Other Revenue	117	157	306	428	508	384	836	452	327
<b>Total Revenues</b>	<b>9,965</b>	<b>11,498</b>	<b>11,938</b>	<b>12,079</b>	<b>12,730</b>	<b>12,186</b>	<b>12,939</b>	<b>758</b>	<b>213</b>
Salaries and Benefits	3,936	4,032	4,176	4,340	4,232	4,275	4,483	208	251
Amortization of Capital Assets and Broadcast Rights	2,912	2,959	3,058	3,235	3,353	3,425	3,198	(227)	(155)
Marketing and Development	1,005	963	1,089	1,166	1,073	1,214	1,255	41	182
Expenses from Subsidiary Operations	157	756	836	960	1,042	1,157	1,034	(123)	(8)
Programming and Presentation	596	582	584	569	646	515	615	100	(31)
Broadcast Platforms and Corporate IT	868	785	864	989	836	758	1,012	254	176
General	152	102	82	60	113	295	81	(214)	(32)
Administration	459	452	375	418	409	435	447	12	38
<b>Total Expenses</b>	<b>10,085</b>	<b>10,632</b>	<b>11,063</b>	<b>11,737</b>	<b>11,704</b>	<b>12,076</b>	<b>12,125</b>	<b>49</b>	<b>421</b>
<b>Annual Surplus from Operations</b>	<b>(120)</b>	<b>865</b>	<b>875</b>	<b>342</b>	<b>1,026</b>	<b>110</b>	<b>814</b>	<b>708</b>	<b>(208)</b>
Endowment Contributions	282	209	298	338	1,149	300	766	466	(383)
<b>Annual Surplus</b>	<b>162</b>	<b>1,074</b>	<b>1,172</b>	<b>680</b>	<b>2,175</b>	<b>410</b>	<b>1,580</b>	<b>1,174</b>	<b>(591)</b>
<b>Capital Expenditures</b>	<b>3,261</b>	<b>3,261</b>	<b>4,280</b>	<b>4,478</b>	<b>3,355</b>	<b>3,539</b>	<b>4,316</b>	<b>777</b>	<b>961</b>
<b>Total Liabilities</b>	<b>4,546</b>	<b>4,811</b>	<b>4,399</b>	<b>3,659</b>	<b>3,684</b>	<b>-</b>	<b>3,234</b>	<b>-</b>	<b>-</b>
<b>Accumulated Surplus</b>	<b>8,890</b>	<b>9,964</b>	<b>11,137</b>	<b>11,817</b>	<b>13,991</b>	<b>14,401</b>	<b>15,571</b>	<b>-</b>	<b>-</b>

Consolidated Financial Statements of

**KNOWLEDGE NETWORK CORPORATION**

Year ended March 31, 2016



KPMG LLP  
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4710 Kingsway, Suite 2400  
Burnaby BC V5H 4M2  
Canada  
Telephone (604) 527-3600  
Fax (604) 527-3636

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Knowledge Network Corporation

To the Minister of Technology, Innovation and Citizens' Services

We have audited the accompanying consolidated financial statements of Knowledge Network Corporation, which comprise the Consolidated Statement of Financial Position as at March 31, 2016 and the Consolidated Statements of Operations, Remeasurement Gains and Losses, Changes in Net Financial Assets and Cash Flows for the year then ended, and notes and schedules, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation of these consolidated financial statements in accordance with the basis of accounting described in Note 2 to the consolidated financial statements, 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Knowledge Network Corporation as at March 31, 2016, and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with the basis of accounting as described in Note 2 to the financial statements.

*Report on Other Legal and Regulatory Requirements*

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

A handwritten signature in black ink that reads "KPMG LLP" with a horizontal line underneath.

Chartered Professional Accountants

May 13, 2016

Burnaby, Canada

## KNOWLEDGE NETWORK CORPORATION

### Consolidated Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
Financial assets:		
Cash (note 3(a))	\$ 1,457,891	\$ 2,900,292
Accounts receivable (note 9)	292,245	677,672
Portfolio investments (note 3(b))	1,261,853	456,381
	3,011,989	4,034,345
Liabilities:		
Accounts payable and accrued liabilities	\$ 906,276	\$ 1,004,377
Income taxes payable	8,957	57,500
Deferred revenue, projects	305,275	298,508
Deferred contributions (note 4)	2,013,693	2,323,958
	3,234,201	3,684,343
Net financial assets (debt)	(222,212)	350,002
Non-financial assets:		
Broadcast rights (note 5)	\$ 9,113,720	\$ 8,446,201
Tangible capital assets (note 6)	2,374,730	2,588,627
Prepaid expenses	88,839	54,741
Endowment investments (note 3(b))	3,965,059	2,842,332
	15,542,348	13,931,901
Commitments (note 8)		
Accumulated surplus (note 13)	\$ 15,320,136	\$ 14,281,903
Accumulated surplus represented by:		
Accumulated surplus	\$ 15,571,183	\$ 13,991,349
Accumulated remeasurement gains (losses)	(251,047)	290,554
	\$ 15,320,136	\$ 14,281,903

See accompanying notes to consolidated financial statements.

Approved on behalf of:

  
 Nini Baird CM,  
 Chair of the Board

  
 Rudy Buttignol CM,  
 President and Chief Executive Officer



## KNOWLEDGE NETWORK CORPORATION

### Consolidated Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

	Budget (note 14)	2016	2015
Revenue:			
Province of British Columbia operating grants	\$ 6,259,506	\$ 6,259,506	\$ 6,259,512
Donations and sponsorships	3,525,000	4,025,158	3,905,723
Specialty TV channel subscription fees	1,563,000	1,483,427	1,545,652
Amortization of deferred contributions (note 4)	454,000	335,265	510,949
Endowment investment income	60,000	490,873	163,664
Other	324,000	345,018	344,753
	12,185,506	12,939,247	12,730,253
Expenses (note 10):			
Programming and presentation	1,821,282	1,916,336	1,924,646
Marketing and development	2,172,591	2,142,664	2,034,234
Broadcast platforms and corporate IT	2,009,995	2,380,195	2,059,267
General	720,457	537,922	438,999
Amortization of broadcast rights	3,000,000	2,845,581	3,027,128
Administration	1,194,181	1,268,133	1,177,455
Specialty TV channel	1,157,285	1,034,453	1,042,499
	12,075,791	12,125,284	11,704,228
Annual surplus from operations	109,715	813,963	1,026,025
Endowment contributions received	300,000	765,871	1,148,748
Annual surplus	409,715	1,579,834	2,174,773
Accumulated surplus, beginning of year	13,991,349	13,991,349	11,816,576
Accumulated surplus, end of year	\$ 14,401,064	\$ 15,571,183	\$ 13,991,349

See accompanying notes to consolidated financial statements.

## KNOWLEDGE NETWORK CORPORATION,

### Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Accumulated remeasurement gains, beginning of year	\$ 290,554	\$ 202,647
Remeasurement gains (losses) attributable to investments	(243,555)	175,655
Amounts reclassified to statement of operations:		
Realized gain on investment	(298,046)	(87,748)
Net remeasurement gains (losses) for the year	(541,601)	87,907
Accumulated remeasurement gains (losses), end of year	\$ (251,047)	\$ 290,554

See accompanying notes to consolidated financial statements.

## KNOWLEDGE NETWORK CORPORATION

Consolidated Statement of Changes in Net Financial Assets (Debt)

Year ended March 31, 2016, with comparative information for 2015

	Budget (note 14)	2016	2015
Annual surplus	\$ 409,715	\$ 1,579,834	\$ 2,174,773
Net remeasurement gains (losses) for the year	-	(541,601)	87,907
	409,715	1,038,233	2,262,680
Acquisition of tangible capital asset	(90,000)	(146,229)	(220,814)
Amortization of tangible capital assets	437,250	360,126	392,307
	347,250	213,897	171,493
Acquisition of broadcast rights	(3,448,516)	(4,169,508)	(3,133,686)
Amortization of broadcast rights	3,706,500	3,501,989	3,640,975
	257,984	(667,519)	507,289
Acquisition of investments	(300,000)	(1,122,727)	(1,167,879)
Acquisition of prepaid expenses	-	(88,839)	(54,741)
Use of prepaid expenses	-	54,741	50,702
	-	(34,098)	(4,039)
Increase (decrease) in net financial assets	714,949	(572,214)	1,769,544
Net financial assets (debt), beginning of year	350,002	350,002	(1,419,542)
Net financial assets (debt), end of year	\$ 1,064,951	\$ (222,212)	\$ 350,002

See accompanying notes to consolidated financial statements.

## KNOWLEDGE NETWORK CORPORATION

### Consolidated Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided (used by):		
Operations:		
Annual surplus	\$ 1,579,834	\$ 2,174,773
Items not involving cash:		
Gain on sale of investments	(298,046)	(87,748)
Amortization of deferred contributions	(335,265)	(510,949)
Amortization of capital assets	360,126	392,307
Amortization of broadcast rights	3,501,989	3,640,975
Changes in non-cash working capital:		
Accounts receivable	385,427	495,461
Prepaid expenses	(34,098)	(4,039)
Accounts payable and accruals	(98,101)	354,883
Income taxes receivable/payable	(48,543)	17,258
Deferred revenue, projects	6,767	15,733
	5,020,090	6,488,654
Financing:		
Contributions received for broadcast rights	25,000	148,588
Investing:		
Purchase of portfolio investments	(2,171,754)	(919,592)
Capital:		
Purchase of tangible capital assets	(146,229)	(220,814)
Purchase of broadcast rights	(4,169,508)	(3,133,686)
	(4,315,737)	(3,354,500)
Increase (decrease) in cash	(1,442,401)	2,363,150
Cash, beginning of year	2,900,292	537,142
Cash, end of year	\$ 1,457,891	\$ 2,900,292

See accompanying notes to consolidated financial statements.

## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016, with comparative information for 2015

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### 1. Nature of operations:

Knowledge Network Corporation (the "Corporation") was incorporated as a Crown corporation in 2009 under the Knowledge Network Corporation Act, a statute of the Province of British Columbia.

The Corporation is British Columbia's public broadcaster across multiple platforms including television, web and mobile. The principal source of funding is from the Ministry of Technology, Innovation and Citizens' Services.

The Corporation is a registered charity under the provisions of the Income Tax Act of Canada and is not subject to income taxes. The Corporation's 50% owned subsidiary is subject to income taxes.

### 2. Significant accounting policies:

#### (a) Basis of accounting:

These consolidated financial statements are prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This Section requires that the consolidated financial statements be prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board, except in regard to the accounting for broadcast rights and government transfers.

The Corporation has obtained approval to continue to capitalize and amortize broadcast rights as non-financial assets. Canadian public sector accounting standards do not recognize intangible assets in their accounting framework and require that such amounts be expensed as incurred.

The Budget Transparency and Accountability Act and its related regulations require the Corporation to account for government transfers stipulated for the acquisition of tangible capital assets by deferring and amortizing them to income on the same basis as the related amortization expense for the assets. As these transfers do not contain additional stipulations that create a liability, Canadian public sector accounting standards would require these grants to be reported as revenue when spent.

The consolidated financial statements reflect the assets, liabilities, revenue, expenses, and accumulated surplus of the reporting entity, which includes the proportionate consolidation of the Corporation's 50% owned subsidiary, Knowledge-West Communications Corporation ("KWCC"). Inter-entity balances and transactions have been eliminated on consolidation.

#### (b) Revenue recognition:

Externally restricted contributions are recognized 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.

## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

### 2. Significant accounting policies (continued):

#### (b) Revenue recognition (continued)

Subscription fees are recorded on an accrual basis as services are provided, except when the amount cannot be determined with a reasonable degree of certainty. Interest and other revenues are recognized when earned.

#### (c) Tangible capital assets:

Purchased tangible capital assets are recorded at cost. Equipment, furniture and fixtures are amortized over the estimated useful life on the declining balance basis at rates ranging from 10% to 30% per annum, computer software is amortized over the estimated useful life on the declining balance basis at 50%, and leasehold improvements are amortized on a straight-line basis over the term of the lease.

#### (d) Deferred contributions for capital assets and broadcast rights:

Funding received from the Province of British Columbia specifically for the acquisition of tangible capital assets is recorded as deferred contributions and is recognized as revenue in the statement of operations on the same basis as the amortization charged on the assets purchased with the funding. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards, which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized as revenue when or over the period that the liability is extinguished.

#### (e) Broadcast rights:

Broadcast rights are recorded at cost and amortized over the period the broadcast is authorized for (generally 4 to 6 years).

#### (f) Financial instruments:

Derivatives and equity instruments quoted in an active market are measured at fair value. The Corporation measures other specific financial instruments at cost or amortized cost to correspond with how they are evaluated and managed.

Financial instruments measured at fair value are classified as level one, two or three for the purposes of describing the basis of the inputs used to measure the fair values, as described below:

- |          |   |
|----------|---|
| Level 1: | Quoted prices (unadjusted) in active markets for identical assets or liabilities;   |
| Level 2: | Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and  |
| Level 3: | Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction. |

## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

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### 2. Significant accounting policies (continued):

#### (f) Financial instruments (continued):

Unrealized gains and losses from changes in the fair value of financial instruments are recorded in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations.

For financial instruments measured using amortized cost, amortized cost is defined as the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus cumulative amortization using the effective interest method and minus any impairment losses. The effective interest rate method is used to determine interest revenue or expense.

For portfolio investments measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

Interest and dividends attributable to financial instruments are reported in the statement of operations.

Financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations and any related fair value changes previously recorded in the statement of remeasurement gains and losses are reversed to the extent of the impairment. Impairment losses are not reversed for a subsequent increase in value.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost.

Transaction costs are expensed for financial instruments measured at fair value.

The Corporation has designated its financial instruments as follows:

#### (i) Cash

Cash includes cash in the bank and is measured at fair value.

#### (ii) Short-term investments

Short-term investments are accounted for as portfolio investments. Investments quoted in an active market are reported at fair value and other investments are recorded at cost or amortized cost. These investments are highly liquid and held for the purpose of meeting short-term cash commitments. Investments reported at fair value recognize any changes in fair value in the statement of remeasurement gains and losses.

## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

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### 2. Significant accounting policies (continued):

(f) Financial instruments (continued):

(iii) Market securities

Equity and debt investments quoted in an active market are reported at fair value. The Corporation has a diversified securities portfolio that includes short-term deposits, bonds and equities. Market securities are accounted for as portfolio investments and are reported at fair value with changes in fair value recognized in the statement of remeasurement gains and losses.

(iv) Other financial assets and financial liabilities

Other assets and accounts payable and accruals are measured at amortized cost using the effective interest method.

(g) Measurement uncertainty:

The preparation of financial statements in accordance with the framework described in note 2(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the year then ended. Significant areas of management estimate include the determination of tangible capital assets and broadcast rights and the related recognition of deferred contributions, and valuation of accounts receivable. Actual results could differ from those reported.

(h) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies, are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses. In the period of settlement, realized foreign exchange gains and losses are recognized in the statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the statement of remeasurement gains and losses.

(i) Income taxes:

KWCC uses the taxes payable method to account for income taxes whereby the expense (income) of the period consists only of the cost (benefit) of current income taxes for that period, determined in accordance with the rules established by the taxation authorities



## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

### 3. Cash and investments:

#### (a) Cash:

The Corporation's bank accounts are held at one Canadian chartered bank. Interest is earned at prime minus 1.95% and is paid on a monthly basis. As at March 31, 2016, cash includes an amount of USD \$183,009 (2015 – USD \$76,368).

#### (b) Investments:

	2016	2015
Fixed income	\$ 1,711,668	\$ 364,188
Common shares	2,387,557	2,739,307
Mutual funds	1,007,026	19,105
Other	120,661	176,113
	<u>\$ 5,226,912</u>	<u>\$ 3,298,713</u>
	2016	2015
Portfolio investments	\$ 1,261,853	456,381
Endowment investments	3,965,059	2,842,332
	<u>\$ 5,226,912</u>	<u>\$ 3,298,713</u>

Mutual funds consist of money market funds which are redeemable at any time.

### 4. Deferred contributions

#### (a) Capital assets:

Deferred contributions related to capital assets represents the unamortized amount of grants received for the purchase of capital assets.

	2016	2015
Balance, beginning of year	\$ 1,480,796	\$ 1,693,096
Less: amounts recognized as revenue	(184,893)	(212,300)
Balance, end of year	<u>\$ 1,295,903</u>	<u>\$ 1,480,796</u>

## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

### 4. Deferred contributions (continued):

(b) Broadcast rights:

Deferred contributions related to broadcast rights represent the unamortized amount of funds received for the acquisition of programs. Amortization of deferred contributions is recorded as revenue.

	2016	2015
Balance, beginning of year	\$ 843,162	\$ 993,223
Contribution received	25,000	148,588
Amounts recognized as revenue	(150,372)	(298,649)
Balance, end of year	\$ 717,790	\$ 843,162
Deferred contributions, end of year	\$ 2,013,693	\$ 2,323,958

### 5. Broadcast rights:

	2016	2015
Cost:		
Opening balance	\$ 17,117,694	\$ 15,577,937
Additions	4,169,508	3,133,686
Expired rights	(3,119,998)	(1,593,929)
	18,167,204	17,117,694
Accumulated amortization:		
Opening balance	\$ 8,671,493	\$ 6,624,447
Amortization (i)	3,501,989	3,640,975
Expired rights	(3,119,998)	(1,593,929)
	9,053,484	8,671,493
Net book value	\$ 9,113,720	\$ 8,446,201

(i) Amortization expense for broadcast rights is presented on the Statement of Operations as:

	2016	2015
Amortization of broadcast rights	2,845,571	3,027,128
Specialty TV channel expenses	656,418	613,847
	\$ 3,501,989	\$ 3,640,975

## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

### 6. Tangible capital assets:

	Furniture and fixtures	Computer equipment	Equipment	Software	Broadcast network equipment	Leasehold improvements	2016
Cost:							
Opening balance	\$ 880,545	\$ 3,051,757	\$ 2,396,439	\$ 419,236	\$ 13,710,609	\$ 37,695	\$ 20,496,281
Additions	-	-	-	-	146,229	-	146,229
Closing balance	880,545	3,051,757	2,396,439	419,236	13,856,838	37,695	20,642,510
Accumulated amortization:							
Opening balance	\$ 782,999	\$ 2,686,421	\$ 2,357,099	\$ 388,854	\$ 11,663,527	\$ 28,754	\$ 17,907,654
Amortization	9,754	73,067	5,901	15,191	254,424	1,788	360,126
Closing balance	792,753	2,759,488	2,363,000	404,045	11,917,951	30,542	18,267,780
Net book value	\$ 87,792	\$ 292,269	\$ 33,439	\$ 15,191	\$ 1,938,887	\$ 7,153	\$ 2,374,730

	Furniture and fixtures	Computer equipment	Equipment	Software	Broadcast network equipment	Leasehold improvements	2015
Cost:							
Opening balance	\$ 880,545	\$ 3,005,496	\$ 2,396,439	\$ 391,698	\$ 13,563,594	\$ 37,695	\$ 20,275,467
Additions	-	46,261	-	27,538	147,015	-	220,814
Closing balance	880,545	3,051,757	2,396,439	419,236	13,710,609	37,695	20,496,281
Accumulated amortization:							
Opening balance	\$ 772,161	\$ 2,600,870	\$ 2,350,156	\$ 372,241	\$ 11,393,400	\$ 26,519	\$ 17,515,347
Amortization	10,838	85,551	6,943	16,613	270,127	2,235	392,307
Closing balance	782,999	2,686,421	2,357,099	388,854	11,663,527	28,754	17,907,654
Net book value	\$ 97,546	\$ 365,336	\$ 39,340	\$ 30,382	\$ 2,047,082	\$ 8,941	\$ 2,588,627

## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

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### 7. Credit facility:

The Corporation has a revolving demand credit facility bearing interest at prime plus 0.50% per annum. The available facility is to a maximum of \$500,000. As at March 31, 2016 no amount was drawn on this credit facility (2015 - nil).

### 8. Commitments:

#### *Satellite transmission service*

The Corporation acquires satellite transmission services at an annual cost of approximately \$360,473 under agreements covering a four year period ending August 31, 2016.

#### *Production costs*

The Corporation acquires programs that require the commitment of funds. As at March 31, 2016, the Corporation is committed to pay \$1,495,169 (2015 - \$1,784,961) for license fees over the period from April 2016 to March 2018.

### 9. Related party transactions:

The Corporation is related through common control to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities and Crown corporations. Transactions with these entities, considered to be in the normal course of operations, are recorded at the exchange amount.

In the normal course of operations, the Corporation pays rent to the British Columbia Technical Institute of Technology, a Provincially controlled post-secondary institution, of \$1 per annum and its share of the building operating costs totaling \$252,400 (2015 - \$250,821).

Included in accounts receivable as at March 31, 2015 was \$400,000 related to a loan due from KWCC, representing the 50% portion of the \$800,000 loan balance attributable to the unrelated partner. The loan was fully repaid during the year ended March 31, 2016. The loan was unsecured and bore interest at prime plus 2% per annum.

Included in accounts receivable is \$78,824 (2015 - \$49,825) related to advances, fees, and interest receivable from KWCC.

## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

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### 10. Expense Presentation:

For reporting purposes, the Corporation's activities have been aggregated into operational categories. The schedule of consolidated expenses by object reports the revenues and expenses that are directly attributable to each operational category. The revenues and expenses that cannot be directly attributable or allocated on a reasonable basis to individual categories are reported in General category. The following describes the activities of each area:

#### *Programming and presentation*

This category includes salaries and benefits costs of staff responsible for the acquisition of broadcast rights, management and design of broadcast content including branding, captioning of programs, and management of broadcast traffic. This category also includes the cost of contracted editors hired to create promotional content.

#### *Marketing and development*

This category includes salaries and benefits costs of staff responsible for administering our Partners' donations and Knowledge Endowment Fund. This includes other operating costs related to the servicing of our donors such as the production and distribution of the program guide.

This category also includes salaries and benefits costs of staff responsible for maintaining government reporting requirements, reporting on audience and viewership results and implementing our marketing plans.

#### *Broadcast platforms and corporate IT*

This category includes salaries and benefits costs of staff responsible for the maintenance and administration of the broadcast platforms and corporate information technology infrastructures. This category also includes operating costs related to the distribution of our broadcast signal to our audiences.

#### *General*

This category includes amortization of tangible capital assets and other administrative expenses.

#### *Administration*

This category includes salaries and benefits costs of staff responsible for overall administration, finance, and human resources. Operating costs also include the Corporation's share of leased facilities costs, and the costs of training and professional development of our staff.

#### *Specialty TV channel*

This category represents the operations of the BBC Kids tier 2 digital specialty channel via KWCC. BBC Kids is available to Canadian cable and Internet TV subscribers.

## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

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### 11. Pensions:

The Corporation and its employees contribute to the College Pension Plan and Municipal Pension Plan ("The Plans"), jointly trustee pension plans. The boards of trustees for these plans, representing plan members and employers, are responsible for overseeing the management of the Plans, including investment of the assets and administration of benefits. The Plans are multi-employer contributory pension plans. Basic pension benefits provided are based on formulas. The College Pension Plan has about 13,580 active members from college senior administration and instructional staff and approximately 6,025 retired members. The Municipal Pension Plan has about 179,000 active members and approximately 71,000 retired members.

Active College Pension Plan members include approximately 23 contributors, and active Municipal Pension Plan members include approximately 33 contributors from the Corporation.

The most recent valuation for the College Pension Plan as at August 31, 2012 indicated an unfunded liability of \$105 million for basic benefits. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016.

Employers participating in the Plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plans record accrued liabilities and accrued assets for the Plans in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plans.

The Corporation paid \$330,170 (2015 - \$333,694) for employer contributions while employees contributed \$315,339 (2015 - \$303,620) to the Plans in fiscal 2016.

### 12. Financial instruments risks:

The Corporation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a description of those risks at March 31, 2016.

#### (a) Credit risk:

Credit risk is the risk that the Corporation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Corporation to credit risk consist primarily of cash, portfolio investments, endowment investments and accounts receivable. The Corporation has an investment policy to ensure investments are managed appropriately to secure the preservation of capital and the availability of liquid funds. The Corporation has also retained an investment firm to invest surplus funds in accordance with its investment policy. The receivables are due from various entities and individuals, thus the Corporation is not subject to concentration of credit risk.

## KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016, with comparative information for 2015

### 12. Financial instruments risks (continued):

(b) Foreign exchange risk:

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation's exposure to foreign exchange risk is limited to cash held in US dollar bank accounts as noted in Note 3(a).

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Investments bear some interest rate risk as the market price of fixed income securities may fluctuate based on changes in interest rates (Note 3(b)).

(d) Market risk:

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market (Note 3(b)). The Corporation is exposed to fair value risks on its investments in equity instruments.

(e) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

### 13. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2016	2015
Invested in tangible capital assets	\$ 1,078,827	\$ 1,107,831
Invested in broadcast rights	8,395,930	7,603,039
Endowment funds	3,965,059	2,842,332
Unrestricted amounts	1,880,320	2,728,701
Balance, end of year	\$ 15,320,136	\$ 14,281,903

### 14. Budget figures:

Budget figures are provided for comparison purposes and have been derived from the budget approved by the Board of Directors on February 27, 2015.

# KNOWLEDGE NETWORK CORPORATION

Schedule of consolidated expenses by object

Year ended March 31, 2016, with comparative information for 2015

	Programming and presentation	Marketing and development	Broadcast platforms and Corporate IT	General	Amortization of broadcast rights	Administration	Specialty TV channel	2016 consolidated	Budget consolidated	2015 consolidated
Salaries and benefits	\$ 1,300,736	\$ 887,743	\$ 1,368,662	\$ 101,515	\$ -	\$ 824,175	\$ 76,764	\$ 4,559,595	\$ 4,361,749	\$ 4,309,366
Amortization of capital assets and broadcast rights	-	-	-	352,086	2,845,581	-	664,448	3,862,115	4,143,750	4,033,282
Purchased services	518,893	692,575	261,589	13,402	-	62,543	130,190	1,679,192	1,406,662	1,376,496
Supplies, shipping, minor software, maintenance	46,906	437,244	729,806	28,772	-	15,821	92,012	1,350,561	1,234,477	1,338,495
Travel, miscellaneous, other	49,801	125,102	20,138	42,147	-	113,194	13,166	363,548	618,132	341,916
Facilities operating costs, rental	-	-	-	-	-	252,400	-	252,400	264,000	250,821
Income taxes	-	-	-	-	-	-	57,873	57,873	47,021	53,952
	\$ 1,916,336	\$ 2,142,664	\$ 2,380,195	\$ 537,922	\$ 2,845,581	\$ 1,268,133	\$ 1,034,453	\$ 12,125,284	\$ 12,075,791	\$ 11,704,228



## Appendix A: Subsidiaries and Operating Segments

### Active Subsidiaries

Knowledge-West Communications Corporation (KWCC) was incorporated in 1981. KWCC owns and operates BBC Kids, a Canadian children's subscription channel. The CRTC approved KWCC's acquisition of assets for BBC Kids in April 2011. BBC Kids is a commercial-free service reinforcing the values of both Knowledge Network Corporation and the BBC. KWCC financial results are proportionately consolidated under Knowledge Network Corporation's audited financial statements.

### Financial Resource Summary Table

	<u>2014/15 Actual</u>	<u>2015/16 Budget</u>	<u>2015/16 Actual</u>
Revenue from Subsidiary Operations	1,546	1,563	<b>1,483</b>
Expenses from Subsidiary Operations	1,042	1,157	<b>1,034</b>
<b>Net Subsidiary Operations</b>	504	406	<b>449</b>

Subsidiary revenues were (\$80k) less than budgeted and (\$62k) less than last fiscal. In the kids' market, linear television services are starting to contract as young viewers turn to web based platforms for content. Subsidiary expenses were (\$123k) less than budgeted and (\$8k) less than last fiscal due to lower costs in a variety of areas.

For further information about KWCC please visit <https://www.knowledge.ca/about/knowledge-west-communications-corporation>

For further information about BBC Kids please visit <http://bbckids.ca/>

## **Appendix B: Additional Information**

### ***Corporate Governance***

Knowledge Network is governed by a Board of Directors that is responsible to the Minister of Technology, Innovation and Citizens' Services. The Ministry is responsible for policy direction while the Board is responsible for operational policy and setting the strategic direction of the organization. The President and CEO is responsible for the day-to-day leadership and management of Knowledge Network. Please click [here](#) for more information on Knowledge Network's corporate governance.

### ***Organizational Overview***

Please click [here](#) to learn more about Knowledge Network Corporation.

## Appendix C: Knowledge Network Corporation Mandate and Actions Summary

In the 2015/16 Mandate Letter from the minister responsible, Knowledge Network Corporation received direction on strategic priorities for the 2015/16 fiscal year. These priorities and our actions are summarized below:

Mandate Letter Direction	Knowledge Network Actions
1. Curate and broadcast the 2015/16 program schedule to feature the following B.C. challenges:	Knowledge Network broadcasts programs relevant to British Columbians in all areas as noted below.
<ul style="list-style-type: none"> <li>Seniors' demographic shifts</li> </ul>	<p>Continued to offer commercial-free programs for boomers and seniors who are underserved by other broadcasters in B.C.'s mainstream television market. Highlights include:</p> <p><b><i>Pipers of the Trenches</i></b> - The role of pipers who served in the Great War, with their descendants visiting the battlefields. Among them is Surrey B.C. resident Garth Newlands, whose grandfather Alexander Newlands piped in almost every major battle of the war</p> <p><b><i>Last Tango in Halifax</i></b> – Two widows in their 70s, fall for each other all over again when they are reunited on the Internet after nearly 60 years.</p> <p><b><i>Alfred and Jakobine</i></b> – In 1954 Alfred and Jakobine journeyed around the world in a London taxi and at 84, are hoping for one last ride.</p>
<ul style="list-style-type: none"> <li>Early learning initiatives</li> </ul>	<p>Programming on Knowledge Kids, KnowledgeKids.ca and the Knowledge Kids Go App encourages early learning concepts such as cooperation, empathy, friendship, and problem solving. Highlights include: <b><i>Kate &amp; Mim-Mim, Lah's-Lah's Adventures, Paw Patrol</i></b> and <b><i>Wild Kratts</i></b>.</p>
<ul style="list-style-type: none"> <li>Asian trade and cultural awareness</li> </ul>	<p>Continued to acquire content from the Asia Pacific region for our East is East branded strand. Highlights include:</p> <p><b><i>The Birth of Modern China</i></b> – A 27-week anthology series exploring how a once feudal society is becoming the world's dominant economy.</p>

	<p><b><i>China's Capitalist Revolution</i></b> – The story of the conversion of the Chinese Communist Party to capitalism;</p> <p><b><i>Building 173</i></b> – The history of Shanghai through the history of one building;</p> <p><b><i>The Art of China</i></b> – Explores the historical context of Chinese art;</p> <p><b><i>The Fastest Changing Place on Earth</i></b> – The story of modern China told through the eyes of villagers.</p>
<ul style="list-style-type: none"> <li>• Health care sustainability</li> </ul>	<p>Continued to acquire content for television, the web and mobile platforms that educates British Columbians about healthy living. Highlights include:</p> <p><b><i>How to Survive a Plague</i></b> – The story of activism and innovation that turned AIDS into a manageable condition;</p> <p><b><i>Chi</i></b> – Actress Babz Chula travelled to India to undergo treatment in an effort to manage her battle with cancer;</p> <p><b><i>When I Walk</i></b> – A young man's determination to triumph over MS and to make sense of a devastating disease through the art of cinema;</p> <p><b><i>Medieval Lives – A Good Birth</i></b> – The moment of labour and birth was a very dangerous time for a medieval woman.</p>
<ul style="list-style-type: none"> <li>• First Nations culture and issues</li> </ul>	<p>Continued to showcase aboriginal programming from local, national, and global perspectives. Highlights include:</p> <p><b><i>Haida Gwaii: On the Edge of the World</i></b> - The breathtakingly beautiful archipelago off B.C.'s northwest coast is home to a dedicated community uniting to protect land and sea for the next generation.</p> <p><b><i>Dreamers and Dissidents: Sophie Pierre</i></b> – A series of short films exploring the history of the Kootenays through personal stories. Sophie Pierre was sent to a Residential School as a girl, removed her from her family and aboriginal culture. She went on to become a leader among her people, bringing about a transformation to the old residential school and the people whom the school had impacted.</p>

	<p><b><i>The People of the Kattawapiskak River</i></b> – Exposes the housing crisis and poor living conditions faced by 1,700 Cree in northern Ontario;</p> <p><b><i>Vanishing Point</i></b> – Two Inuit communities navigate through the greatest social and environmental challenges in their history.</p>
<ul style="list-style-type: none"> <li>• Environmental challenges</li> </ul>	<p>Continued to educate British Columbians on challenges facing the environment. Highlights include:</p> <p><b><i>The Polar Sea</i></b> – Scientists try to understand the complex phenomenon of Arctic climate change;</p> <p><b><i>Chasing Ice</i></b> – One man’s mission to gather undeniable photographic evidence of our changing planet;</p> <p><b><i>Green China Rising</i></b> – China is the world’s largest emitter of greenhouse gases and it is striking back with cutting-edge technologies;</p> <p><b><i>The Water Brothers</i></b> – Travel around the world to discover the challenges surrounding water conservation;</p> <p><b><i>Revenge of the Electric Car</i></b> – Follows the race to build the next generation of electric cars.</p>
<ul style="list-style-type: none"> <li>• Economic issues</li> </ul>	<p>Continued to acquire and broadcast documentaries on economic issues from a local, national and global perspective. Highlights include:</p> <p><b><i>China on Four Wheels</i></b> - How the country’s massive economic growth and booming car industry are affecting people’s lives;</p> <p><b><i>Inside Job</i></b> – A comprehensive analysis of the global financial crisis of 2008;</p> <p><b><i>Enron: The Smartest Guys in the Room</i></b> – How top executives of America’s seventh largest company walked away with more than one billion dollars, while investors and employees lost everything.</p>
<p>2. Launch a new, multi-platform documentary series on B.C. paramedics in partnership with B.C.’s independent television and interactive producers.</p>	<p>With the success of <b><i>Emergency Room: Life and Death at VGH</i></b> Knowledge Network commissioned a second season in partnership with B.C.’s Lark Productions and Vancouver Coastal Health. The series included 6 one hour episodes, 49 short stories and an interactive website. The world broadcast premiere on-air and online was on April 12, 2016.</p>

<p>3. Develop a mobile App and 2<sup>nd</sup> generation website for young children and parents.</p>	<p>The new Knowledge Kids website and Knowledge Kids Go app launched in December and have been hugely successful. The services deliver streaming video and games for 2-8 year olds in a safe and trusted online environment.</p>
<p>4. Self-finance and upgrade digital broadcast infrastructure</p>	<p>In year one of a three year plan, self-finance the replacement of aging digital broadcast infrastructure. \$146,229 was spent on digital broadcast upgrades in 2015/16.</p>



February 1, 2017

Ref #: 105536

Nini Baird, Board Chair  
Knowledge Network Corporation  
4355 Mathissi Place  
Burnaby, BC V5G 4S8

Dear Nini Baird:

This Mandate Letter confirms your organization's mandate, provides government's annual strategic direction and sets out key performance expectations for the 2017/18 fiscal year.

On behalf of the Province of British Columbia, thank you for your leadership and the contributions made by Knowledge Network Corporation over the past year and congratulations on the efforts made towards curating and broadcasting programming on emergency preparedness and progress towards developing the documentary series on international trade and globalization through the lens of the Vancouver International Airport.

B.C.'s Corporate Governance Framework takes a principles-based approach in providing direction for effective governance of ministries and Public Sector Organizations (PSOs). Since June 2014, the Taxpayer Accountability Principles (TAP) have provided guidance to ensure that the actions taken and services provided strengthen accountability and promote cost control while meeting the public policy objectives established by government on behalf of the citizens of B.C.

It is critical that public sector organizations operate as efficiently as possible, in order to ensure British Columbians are provided with effective services at the lowest cost possible. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient delivery<sup>1</sup> of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. This is critical to government's commitment to control spending and balance the budget.

Government is making open information a priority across the public sector to enhance government transparency and accountability in the use of public resources, the delivery of programs and public services.

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Government provided the following mandate direction to Knowledge Network Corporation under the Knowledge Act:

- Carry on the business of broadcasting and communications to provide unique, quality educational programming to British Columbians;
- Promote lifelong learning in British Columbia by providing quality educational programming;
- Inform and educate British Columbians about their province and about issues that are relevant to them;
- Provide British Columbians with a unique television experience; and,
- Collaborate with the independent television and web media production sectors in British Columbia.

To achieve this mandate, the Knowledge Network Corporation is directed to take the following strategic actions:

- Broadcast programming covering topics of interest to British Columbians such as: economic diversification with a particular focus on the growing technology sector in BC; jobs and skills; Asian trade and cultural awareness; First Nations communities and cultural awareness; health care sustainability including seniors' demographic shifts; early learning initiatives; emergency preparedness; and the environment, including climate change.
- Expand the KNC website, Knowledge.ca, through the addition of curated arts and information content from trusted Canadian and international sources.
- In the final year of a three year plan, self-finance the replacement of aging digital broadcast infrastructure.

The ongoing culture shift to principled public sector governance remains a priority for government. PSOs are expected to undertake more comprehensive professional development to enhance orientation of their board members and senior executives. Government will be providing programming and resources designed to complement components of orientation to ensure understanding of the accountabilities and expectations of public sector boards and organizations. For detailed information about TAP directives, please refer to the following link, [Taxpayer Accountability Principles](#).

Government is committed to continue to revitalize the relationship between Government and PSOs. This strong focus on increased two-way communication supports and ensures a common understanding of Government's expectations. Timely communication of emerging issues which may affect the business of Knowledge Network Corporation and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets. With the TAP embedded in the Annual Service Plans and Reports, this will support board chairs in assessing and communicating the organization's overall performance.

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In addition, it is expected that your organization will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the public sector. Please refer to the following link for a summary of these accountabilities, [PSO Accountability Summary](#).

Each board member is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website, and a copy signed by all board members provided to the ministry and made available to the public upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against TAP, and working together to protect the public interest at all times.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amrik Virk', with a large, stylized initial 'A'.

Amrik Virk  
Minister

cc: Honourable Christy Clark  
Premier

Kim Henderson  
Deputy Minister to the Premier and Cabinet Secretary

Athana Mentzelopoulos  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Cheryl Wenezenki-Yolland  
Associate Deputy Minister  
Ministry of Finance

Sarf Ahmed  
Associate Deputy Minister  
Ministry of Technology, Innovations and Citizens' Services

Nini Baird  
Board Chair  
Knowledge Network Corporation

.../4

Chamkaur Singh Cheema  
Board Member  
Knowledge Network Corporation

Wendy Heshka  
Board Member  
Knowledge Network Corporation

D. Anthony Knox  
Board Member  
Knowledge Network Corporation

Janis E. Lindsay  
Board Member  
Knowledge Network Corporation

Debbie C. MacMillan  
Board Member  
Knowledge Network Corporation

Anne McMullin  
Board Member  
Knowledge Network Corporation

Sheila Orr  
Board Member  
Knowledge Network Corporation

Stacy Jacqueline Shields  
Board Member  
Knowledge Network Corporation

Eric G. Watt  
Board Member  
Knowledge Network Corporation

Gerry Martin  
Board Member  
Knowledge Network Corporation

Rudy Buttignol  
Chief Executive Officer  
Knowledge Network Corporation

Attachment: Taxpayer Accountability Principles

## B.C. Taxpayer Accountability Principles

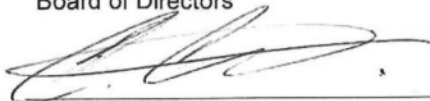
Further information available at: <http://gov.bc.ca/crownaccountabilities>

1	<b>Cost Consciousness (Efficiency)</b>	Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to “bend the cost curve” and support sustainable public policies and programs as a lasting legacy for generations to come.
2	<b>Accountability</b>	Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government’s strategic mandate.
3	<b>Appropriate Compensation</b>	Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government’s taxpayer accountability principles and respectful of the taxpayer.
4	<b>Service</b>	Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs.
5	<b>Respect</b>	Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers’ monies.
6	<b>Integrity</b>	Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles.

Knowledge Network Corporation Board of Directors:

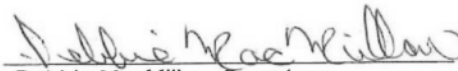
  
Nini Baird, C.M., Chair  
Knowledge Network Corporation  
Board of Directors


  
Wendy Heshka, Vice Chair  
Knowledge Network Corporation  
Board of Directors

  
Chamkaur Cheema, Director  
Knowledge Network Corporation  
Board of Directors

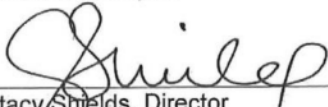
  
Tony Knox, Director  
Knowledge Network Corporation  
Board of Directors

  
Jan Lindsay, Director  
Knowledge Network Corporation  
Board of Directors

  
Debbie MacMillan, Secretary  
Knowledge Network Corporation  
Board of Directors

  
Anne McMullin, Director  
Knowledge Network Corporation  
Board of Directors

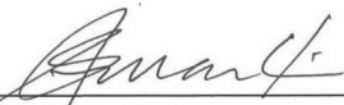
  
Sheila Orr, Director  
Knowledge Network Corporation  
Board of Directors

  
Stacy Shields, Director  
Knowledge Network Corporation  
Board of Directors

  
Eric Watt, Director  
Knowledge Network Corporation  
Board of Directors

December 1, 2016

Date

  
Gerry Martin, Director  
Knowledge Network Corporation  
Board of Directors

## BOARD OF DIRECTORS AND EXECUTIVE TEAM

The Knowledge Network Corporation is led by President and CEO, Rudy Buttignol, who reports to a Board of Directors.

The Board is appointed by the Province. The Chair of the Board is currently Nini Baird.

### Knowledge Network Board of Directors

Name:	Position:	Expiry:
Baird, Nini	Chair	July 31, 2018
Wendy Heshika	Director	Dec 31, 2019
Chamkaur Cheema	Director	Dec 31, 2019
Jan Lindsay	Director	July 31, 2018
Tony Knox	Director	July 31, 2018
Debbie MacMillan	Director	Dec 31, 2017
Gerry Martin	Director	Dec 31, 2017
Anne McMullin	Director	July 31, 2018
Sheila Orr	Director	July 31, 2017
Stacey Shields	Director	Dec 31, 2017
Eric Watt	Director	July 31, 2018

### Biography for Rudy Buttignol, CEO



Rudy Buttignol is the President and CEO of Knowledge Network Corporation. Since his appointment in 2007, he has transformed British Columbia's public broadcaster into multiplatform digital service, increasing audience share and revenues. Buttignol is also President of BBC Kids, a national subscription channel recently acquired by Knowledge Network, launched as a joint venture with BBC Worldwide Canada. Buttignol also moderates annual financing forums in Amsterdam and Leipzig. He is the recipient of several international honours including the inaugural Doc Mogul Award from the Hot Docs International Festival, and nine Gemini (Canadian Academy) Awards. Currently, Buttignol is President of the Academy of Canadian Cinema and Television Foundation; Chair of the International Advisory Council of the Hot Docs Documentary Forum; Vice-Chair of the Canadian Association of Public Educational Media; Director on the Board of the Vancouver International Film Festival; and a Governor in Council appointee to the (BC government's) Knowledge West Communications Corporation Board, and (federal government's) Cultural Properties Export Review Board.

In the past, Buttignol was founding Chair of the Documentary Organization of Canada and founder of the Hot Docs Financing Forum. He was elected Chair of the Board of the Academy of Canadian Cinema and Television from 1997 to 2003; and served as a director on the boards of Banff Media Festival; Canada Media Fund; Canadian Conference for the Arts; and Hot Docs Documentary Festival. He was a member of the European Television and Media Management Academy's Advisory Council in Strasbourg; and was a tutor at Berlin's Documentary Campus. Buttignol was born in Pordenone, Italy. He is a graduate of the Faculty of Fine Arts at Toronto's York University, and has completed Executive Education programs at the Banff Centre, the Stanford Graduate School of Business and the Harvard Business School.

### **Biography for Nini Baird, Chair**



Nini Baird has long been recognized as arts administrator and advocate, with management experience in the arts, post-secondary education and educational broadcasting, as well as corporate and private philanthropy. She has worked on the municipal, provincial, federal and international levels.

A former Canada Council Board member and Chair of the BC Arts Council, she currently serves as Chair, Knowledge Network Corporation; Chair, TELUS Vancouver Community Board; and Board member of British Columbia Film and of the BC Film Foundation.

Her BC post-secondary career spanned Simon Fraser University (Director, Centre for Communications and the Arts); Emily Carr College (now University) of Art and Design (Director, Outreach Programs); and Open Learning Agency/Knowledge Network (Director, Programming). In 1993 she was named a member of the Order of Canada and in 2012 received the Diamond Jubilee Medal. She has received numerous awards including the Keith Kelly Award for Cultural Leadership from Canadian Conference of the Arts and the President's 40th Anniversary Award from Simon Fraser University. She holds a BA in Journalism from the University of California, Berkeley.

This Act is Current to April 26, 2017

This Act has "Not in Force" sections. See the Table of Legislative Changes.

## KNOWLEDGE NETWORK CORPORATION ACT

### [SBC 2007] CHAPTER 22

*Assented to May 31, 2007*

#### *Contents*

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- 2 Corporation continued
- 3 Application of other Acts
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- 16 Power to make regulations
- 17 Transitional — Open Learning Agency board
- 18 Repealed
- 19 Repeal — *Open Learning Agency Act*
- 20–26 Repeals and Consequential Amendments
- 27 Commencement

#### Definitions

##### **1** In this Act:

**"benefits"** means remuneration for employment but does not include benefits as may be specified by order of the Lieutenant Governor in Council;

**"board"** means the board constituted under section 5;

**Ministry of  
Technology, Innovation and Citizens' Services**

**2016/17 – 2018/19  
SERVICE PLAN**

**February 2016**





For more information on the British Columbia Ministry of Technology, Innovation and Citizens' Services  
see Ministry Contact Information on Page 19 or contact:

**Ministry of Technology, Innovation and Citizens' Services:**

PO BOX 9440  
STN PROV GOVT  
VICTORIA, BC  
V8W 9V3

or visit our website at

***<http://www.gov.bc.ca/citz>***

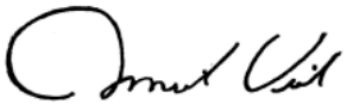
Published by the Ministry of Technology, Innovation and Citizens' Services

## **Minister**

### **Accountability Statement**



The *Ministry of Technology, Innovation and Citizens' Services 2016/17 - 2018/19 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

A handwritten signature in black ink, appearing to read 'Amrik Virk'.

Honourable Amrik Virk  
Minister of Technology, Innovation and Citizens' Services  
February 4, 2016

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## Purpose of the Ministry

The **Ministry of Technology, Innovation and Citizens' Services** (the ministry) performs a dynamic role in government to support businesses, citizens, government ministries and broader public sector organizations. The mandate of the ministry is to grow British Columbia's technology sector, champion innovation, and enable the delivery of cost-effective, accessible and responsive services. This means the ministry supports businesses by making it easier for them to work with government. It also works to make the province a destination for technology entrepreneurs, innovators and the organizations they lead, and ensures privacy and identity information is secured. The ministry meets the changing needs of its public sector clients in a cost-effective, accessible and responsive manner. It seeks out and leverages strategic vendor relationships and contracts so that the public sector – as a whole – can gain process and financial efficiencies. The Minister oversees the Knowledge Network Corporation, which delivers quality educational programming that is relevant and accessible to all citizens. The Minister also oversees the BC Innovation Council, the province's lead agency for accelerating the commercialization of technology and advancing entrepreneurship with partners located in all regions of the province.

## Strategic Direction and Context

The Minister's Mandate letter, addressed from the Premier on July 30, 2015, to the Honourable Amrik Virk, Minister of Technology, Innovation and Citizens' Services, recognizes the ministry for significant achievements in 2014/15. It also outlines an ongoing workplan for the ministry.

The mandate letter articulates the ministry's role in supporting the growth of a diverse economy, where private sector investments are welcomed and encouraged, and help secure long-lasting prosperity for the people of British Columbia. To this end, the ministry remains focused on several overarching objectives: support the *BC Jobs Plan* to build a strong economy and create high-paying jobs in the technology sector by using levers such as tax incentives to help businesses grow; deliver a #BCTECH Strategy that identifies and addresses barriers to growth in B.C.; and, help eliminate barriers to economic development by reducing the red-tape and regulatory burden for B.C. businesses and individuals.

The #BCTECH Strategy, developed in partnership with other ministries and stakeholder input, will accelerate British Columbia's economic performance by supporting innovation, commercialization and entrepreneurship. British Columbia's technology sector provides almost 87,000 jobs, across over 9,700 companies, and is a significant contributor to provincial economic output, consistently growing faster than the economy overall. The ministry is working closely with the British Columbia technology community on how government might enable the technology sector to best support economic growth and job creation.

Technology continues to transform how citizens interact with government, and the ministry is working to modernize service delivery to ensure the services citizens need and expect from their government are delivered as effectively as possible, at the same time ensuring that citizens' privacy is protected and information is secure. Seizing strategic opportunities to engage our vendors in innovative solutions to common service delivery challenges will help ensure that the ministry can make this vision a reality over the short and long term. The BC Services Card is an example of opportunities for innovation being realized. This ground-breaking Services Card will be used to provide more service enhancements and streamlining, allowing citizens to safely and securely access multiple government services, both in person and on-line.

The mandate letter also requires the ministry to ensure that its internal operations are managed in a fiscally responsible way so that financial efficiencies can be achieved. The ministry continues to contribute to government's overall fiscal discipline by looking for opportunities to streamline processes. It has embraced a Lean culture, with a focus on increased efficiency and continuous improvement, and, where public servants are engaged, empowered, supported and held accountable to continuously improve processes to deliver value to British Columbians.

On December 16, 2015, Premier Christy Clark announced that the Chief Records Officer and responsibility for information access, policy and operations would be transferred from this ministry to the Ministry of Finance, effective immediately. As such, any work and performance measures related to these functions have been removed from this service plan.

The remaining goals, objectives, strategies and performance measures of the ministry align with the Taxpayer Accountability Principles, reflecting the priorities and values of government and the citizens of British Columbia. The principles strengthen accountability, promote cost control, and ensure government operates in the best interest of taxpayers, including a requirement to establish a strong ethical code of conduct for all employees and executives. The Crown corporation reviews and core reviews, conducted to date, have identified opportunities to enhance public sector governance and increase public sector accountability to taxpayers. These principles will be built into the ongoing business of public sector entities to ensure the decisions they make reflect the priorities and values of government and their shareholders - the citizens of British Columbia.

# Goals, Objectives, Strategies and Performance Measures

## Goals, Objectives, Strategies and Performance Measures

The following three goals govern the ministry's day-to-day operations and strategic priorities:

**Goal 1:** Create conditions for B.C. businesses to be successful

**Goal 2:** Make it easier for citizens and businesses to interact with government

**Goal 3:** Deliver efficient and effective services to the Public Sector

These goals, combined with the objectives and strategies of the 2016/17 – 2018/19 Service Plan, align with the ministry's internal operations, while maintaining the external focus critical to the organization's success in serving the public. The objectives translate each goal into more specific desired outcomes. The strategies describe the key activities and initiatives that will be implemented in order to achieve the desired objectives. The performance measures linked to objectives are indicators for the progress being made.

Three-year targets have been set for each performance measure. Internal benchmarks are used to set targets because, in most cases, national standards do not exist.

### Goal 1: Create conditions for B.C. businesses to be successful

As per its mandate the ministry has delivered a Technology and Innovation Strategy (#BCTECH Strategy) to support diversification of the BC economy. The #BCTECH Strategy articulates how the ministry will support the technology industry to move ahead and attract and retain talent, employers and investors. One of the ministry's roles is to work with the BC Innovation Council to help foster collaboration between the technology industry, academia and other parts of government that will enable job growth. This kind of collaboration and co-operation will ensure that innovative ideas from industry and post-secondary institutions can become successful commercial ventures, and is one example of how the #BCTECH Strategy will help deliver on creating conditions for B.C. businesses to be successful. As the strategy unfolds over the course of the next year, the ministry may review the objectives and performance indicators it tracks through its Service Plan in relation to the #BCTECH Strategy.

In further support of small and medium businesses' success and economic development in the province, the ministry consults with the business community to find ways to streamline government services and processes. As a result of these consultations, a key focus will be to make it easier for businesses to access government procurement opportunities.

## **Objective 1.1: Position B.C. as a destination for the technology sector and innovation**

### **Strategies**

- Encourage the development, commercialization and adoption of technologies and processes that align with government priorities
- Work with private sector, post-secondary partners and other ministries in support of the #BCTECH Strategy
- Encourage talent development between universities and businesses

## **Performance Measure 1: The number of co-op placements in private businesses in B.C.**

Performance Measure	2013/14 Baseline	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
The number of co-op placements in private businesses in B.C.	7,130	7,480	7,660	7,850	7,950

Data Source: BC Co-op Education Statistical database

### **Discussion**

Achieving the goal of creating conditions for B.C. businesses to be successful involves facilitating their access to talent and to entrepreneurial expertise. The BC Innovation Council is responsible for developing programs to jump-start new companies. Currently, the BC Training Tax Credit program supports apprentices in industrial trades. A new BC Tech Co-op Grants program, launched in May 2015, will greatly support B.C. technology firms.

This measure contributes to business success by improving businesses' access to talent through increased co-op placements. Increasing co-op placements will also ensure that students have the necessary real-world experience in technology firms, which will improve the quality of their training and job prospects. Tracking the increase of co-op placements will validate the expansion of the BC Training Tax Credit Program with the BC Tech Co-op Grants program. For 2013/14, there were 11,898 total co-op placements, of which 7,130 were private business placements inside B.C.. These numbers are tracked by the BC Co-op Association and Accountability Council. 2013/14 was chosen as a baseline because it was the first full year of data available prior to the implementation of this new co-op grants program.

## **Objective 1.2: Streamline processes and access to information and services so it's easier for businesses to access government resources**

### **Strategies**

- Make it easier for small businesses to access and compete for government work by continuing to streamline the procurement process
- Partner with businesses to simplify and improve interactions with government

- Improve government's procurement system to enable a fully managed digital procurement process

## **Goal 2: Make it easier for citizens and businesses to interact with government**

Technology is rapidly affecting all aspects of our daily lives. Ministry research tells us that citizens and businesses want more choice and options to access government services and information, especially digitally. They also want modernized services with better integration across all government services provided by the ministry, whether it is in person, digitally or on the telephone. In expanding choice, and greater access to services, the ministry needs to ensure that their privacy and information is secure and protected; and that it is processing requests in an efficient and cost-effective manner.

### **Objective 2.1: Citizens and businesses can easily access government services and information**

#### **Strategies**

- Make it easier to access services and information with on-demand and self-service options
- Improve integration of in-person government services in communities
- Enable a consistent service experience for in-person, telephone and digital services

### **Performance Measure 2: Citizen Satisfaction with Service BC Centres and Contact Centre**

Performance Measure	2012/13 Baseline	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Citizen Satisfaction	90%	Biennial Survey; next survey in 2016/17	At least 90%	Biennial Survey; next survey in 2018/19	At least 90%

Data Source: BC Stats

#### **Discussion**

This measure is based on a biennial survey that focuses on the satisfaction of citizens when they access government programs and information in person through Service BC Centres, and by telephone through the Service BC Contact Centre. The measure shows how satisfied citizens are with the overall quality of service delivery when they access government programs and services.

Although citizen satisfaction has been measured since 2002, the methodology for the collection of this data changed substantially in 2012/13 and that is why 2012/13 was selected as the baseline.



In order to increase the number of respondents, Service BC developed a web-based survey to replace the telephone survey. The weighted calculation is based on the volume of services, and includes satisfaction scores from Service BC Centres and the Contact Centre.

The 2014/15 Citizen Satisfaction with Service BC Centres and Contact Centre survey was conducted by BC Stats. The survey was administered in person (intercept survey) to 1,992 citizens at eight Service BC Centres across the province, and 99 citizens responded to an email survey.

The methodology for the Citizen Satisfaction survey is cost effective and logistically efficient, and provides an accurate measure of the organization's performance. Improvements will be sought to address response bias (e.g., not all citizens have an email address or were willing to provide a valid email address to the Contact Centre) and the relatively small sample drawn from the Contact Centre.

### **Performance Measure 3: Business Satisfaction with BC Registry Services**

<b>Performance Measure</b>	<b>2011/12 Baseline</b>	<b>2015/16 Forecast</b>	<b>2016/17 Target</b>	<b>2017/18 Target</b>	<b>2018/19 Target</b>
Business Satisfaction	89%	Biennial survey; next survey in 2016/17	At least 90%	Biennial survey; next survey in 2018/19	At least 90%

Data Source: BC Stats

### **Discussion**

The first Business Satisfaction Survey was conducted by BC Registry Services in 2011/12 to assist in assessing the quality of existing services and to provide a basis for strategic planning for the effective delivery of services in the future.

The survey establishes common measurement across a variety of services to business that will be used as the baseline for comparison with future assessments of satisfaction and service quality.

The 2014/15 Business Satisfaction Survey was conducted by BC Stats. A total of 15,500 businesses that had used Corporate Online, Name Requests Online and/or OneStop Business Registries were randomly selected to participate in the online survey. A total of 1,477 businesses responded and 87% of them were "*satisfied with the overall quality of the service delivery.*" These results are representative of the BC Registry Services clients. (For example, if the 2014/15 survey was repeatedly administered, then 95% of the time, the survey would find overall satisfaction on this key question to be between 85% and 89%. The margin of error is  $\pm 2\%$  at the 95% confidence level.)

The key satisfaction question was changed in 2014/15 to adhere to industry best practice (use of the enhanced Common Measurements Tool).

Overall satisfaction decreased slightly (from the 89% baseline in 2011/12 to 87% in 2014/15). Although business satisfaction remains high, strategies are underway to make it easier for businesses to interact with government.

## Objective 2.2: Expand and improve access to digital service delivery

### Strategies

- Support the expansion of high-speed Internet services and cellular coverage in rural and remote areas
- Improve digital service delivery for businesses and citizens

### Performance Measure 4: Percentage of First Nations with access to broadband facilities

Performance Measure	2007/08 Baseline	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Percentage of First Nations with access to broadband facilities	42% (85 of 203 First Nations)	96% (195 of 203 First Nations)	100% (203 of 203 First Nations)	100% (Complete)	100% (Complete)

Data Sources: Network BC and All Nations Trust Company

### Discussion

This performance measure demonstrates the level of success in enabling First Nations communities' access to broadband Internet services. The province provides assistance in the development of upgrade strategies to telecommunication transport and infrastructure that allows service providers to connect First Nations homes, businesses and schools to the Internet.

The provincial government continues to support First Nations-led connectivity initiatives that provide access to broadband Internet services. The targets presented are based on information received from different sources, and are subject to change during the upgrade process depending on weather conditions, terrain and remoteness of each community.

This measure does not take into account the number of communities with last mile infrastructure in place, the number of communities with local high-speed services available, or the take-up (i.e., end-user) usage rate of how many users there are. The province does not have direct control over the targets, as this initiative is being delivered externally by First Nations organizations.

The performance measure is anticipated to be completed by March 31, 2017.

## Objective 2.3: Streamlining Service Delivery for B.C. Citizens

### Strategies

- Provide effective and secure identity information management solutions that help citizens to access a wider range of services using the BC Services Card

- Ensure optimal training for the public service and raise awareness on the security of government information and protection of citizens' personal information

**Performance Measure 5: Number of citizens issued a BC Services Card**

Performance Measure	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Number of citizens issued a BC Services Card	2,800,000	3,500,000	3,700,000	4,000,000

Data Source: Provincial Identity Information Management Program

**Discussion**

This performance measure demonstrates the progress in issuing BC Services Cards to citizens around the province. The BC Services Card, directly supported by the ministry through 62 Service BC offices across the province, is a key enabler for government to implement service enhancements and address citizens' needs and demands for self-serve and streamlined services.

The BC Services Card is designed to make it easier for British Columbia residents to access multiple services with just one card, eliminating the need for multiple user-IDs and passwords. Health Insurance British Columbia (HIBC) and the Insurance Corporation of British Columbia offer *One Stop Seamless* services through 29 of our BC Services Card offices, including identity proofing, ID document submission, HIBC account updating and issuance of the BC Services Card. The BC Services Card will also allow citizens to manage their BC Service Card preferences, like their email address and passcode changes, and view their card use history. The card is designed to keep citizens' personal information secure, using technology with advanced security features. MTICS is actively working with ministries to identify onboarding opportunities. As government services onboard to the BC Services Card, multiple services will become available both online and in person.

A small number of users will onboard in 2016, allowing citizens the opportunity to use the card and providing government the opportunity to engage with citizens and assess their user experience.

**Goal 3: Deliver efficient and effective services to the Public Sector**

In today's fiscal environment, government requires the ministry to be innovative about assets like real estate and technology so that they are well managed, cost-effective and secure. The ministry must also ensure that public service employees have the workplace tools they need to do their work effectively, such as up-to-date systems and equipment, policies and flexible office space options.

**Objective 3.1: Information technology and real estate services meet the changing needs of core government and broader public sector organizations**

**Strategies**

- Continue to set the strategic direction for information technology and, working in partnership with the Ministry of Finance, information management
- Foster strategic vendor relationships for cost savings and innovative service development
- Optimize government's real estate portfolio for space utilization, safety and security, and support government's service delivery model
- Leverage real estate activities to advance broader government objectives such as greenhouse gas reduction, accessibility and innovation

**Performance Measure 6: Broader Public Sector Organizations Using Data Centres**

Performance Measure	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Number of broader public sector organizations using Data Centres	11	13	15	15

Data Source: Hosting Administrator's Office

**Discussion**

This measure demonstrates that the ministry is providing information technology services that meet the changing needs of the broader public sector. These services include data centres, servers and data storage for the provision of applications and related information processing.

Use of services in the Province Data Centres allows clients to maintain uptime, mitigate risks (providing enhanced security and protection against outages due to natural disasters) and take advantage of economies of scale through aggregated demand.

**Performance Measure 7: Percentage of vacant office space**

Performance Measure	2011/12 Baseline	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Percentage of vacant office space	1.5%	<1.5%	<1.65%	<1.65%	<1.65%

Data Source: @REALBC, Real Property Division's real property management system

## Discussion

This measure demonstrates the ministry's efficiency in managing office space infrastructure. This includes the prudent procurement and allocation of facilities for government program use.

Diligent office space management reduces costs and demonstrates stewardship of resources on behalf of citizens. Care must be taken in establishing targets, as prudent holdings improve effectiveness, reduce costs by providing space for shorter-term programs and temporary space during renovations, and improve responsiveness to emerging needs. The base year for this measure was based on the first full year of operation for an integrated workplace management system containing portfolio inventory data.

### **Objective 3.2: Public service employees have the workplace tools they need to do their jobs effectively**

#### Strategies

- Implement innovative office space designs to enhance effective employee collaboration and mobility
- Enable flexibility and choice in technology tools by developing creative and secure approaches for staff to conduct their work

### **Objective 3.3: Provide core government and the broader public sector with cost-effective, accessible and responsive services**

#### Strategies

- Leverage the benefits of shared services and strategic partnerships across government and the broader public sector
- Improve corporate supply arrangements to further reduce costs and increase value for money
- Continuously improve the effectiveness of business processes

### **Performance Measure 8: Administrative Cost of Delivering Shared Services**

Performance Measure	2012/13 Baseline	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
Administrative cost, as a percentage of gross expenditures, to deliver shared services	1.8%	< 1.7%	< 2.0%	< 2.0%	< 2.0%

Data Source: Corporate Accounting System

### **Discussion**

This measure demonstrates the ministry's effective and efficient use of financial resources in delivering shared services, such as Information Technology or Real Property. Containing administrative costs at an effective level ensures that maximum funding is available to deliver services to core government and broader public sector organizations.

The ministry reduced administrative overheads over the four years leading up to fiscal 2012/13, resulting in only 1.8% spent (or \$13.9M) on administration to support shared services. As a result, future year targets are based on this baseline. It is expected that, through the implementation of continuous improvement initiatives that focus on administrative unit efficiencies, the ministry will be able to maintain these targets. If necessary, targets will be adjusted on a year-to-year basis, once those initiatives have been considered.

# Resource Summary

Core Business Area	2015/16 Restated Estimates <sup>1</sup>	2016/17 Estimates	2017/18 Plan	2018/19 Plan
Operating Expenses (\$000)				
Services to Citizens and Businesses	17,923	18,044	18,389	18,746
Office of the Chief Information Officer	10,461	10,459	10,546	10,625
Logistics and Business Services	2,853	2,909	3,257	3,567
Real Property	269,309	282,050	290,165	290,452
Technology Solutions	146,049	146,072	146,381	146,653
Innovation and Technology	2,401	3,252	3,261	3,270
Transfers to Crown Corporations and Agencies <sup>2</sup>	12,350	12,350	12,350	12,350
Executive and Support Services	17,667	16,861	17,009	17,147
<b>Total</b>	<b>479,013</b>	<b>491,997</b>	<b>501,358</b>	<b>502,810</b>

Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
<b>Office of the Chief Information Officer</b>	<b>41,590</b>	<b>55,339</b>	<b>78,130</b>	<b>74,820</b>
<b>Real Property</b>	<b>132,275</b>	<b>133,752</b>	<b>196,968</b>	<b>128,446</b>
<b>Technology Solutions</b>	<b>18,561</b>	<b>15,558</b>	<b>11,644</b>	<b>10,821</b>
<b>Executive and Support Services</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Total</b>	<b>192,436</b>	<b>204,659</b>	<b>286,752</b>	<b>214,097</b>
Other Financing Transactions (\$000)				
<b>Release of Assets for Economic Generation</b>				
<b>Receipts</b>	<b>(5,500)</b>	<b>(4,000)</b>	<b>(5,000)</b>	<b>(0,500)</b>
<b>Disbursements</b>	<b>5,500</b>	<b>4,500</b>	<b>3,000</b>	<b>2,000</b>
<b>Net Cash (Requirements)</b>	<b>0,000</b>	<b>0,500</b>	<b>(2,000)</b>	<b>1,500</b>
<b>Total Receipts</b>	<b>(5,500)</b>	<b>(4,000)</b>	<b>(5,000)</b>	<b>(0,500)</b>
<b>Total Disbursements</b>	<b>5,500</b>	<b>4,500</b>	<b>3,000</b>	<b>2,000</b>
<b>Total Net Cash Source (Requirements)</b>	<b>0,000</b>	<b>0,500</b>	<b>(2,000)</b>	<b>1,500</b>

<sup>1</sup>For comparative purposes, amounts shown for 2015/16 have been restated to be consistent with the presentation of the 2016/17 Estimates.

<sup>2</sup>For all years, includes \$6,090,000 for the BC Innovation Council, formerly presented within Innovation and Technology, and \$6,260,000 for the Knowledge Network Corporation, formerly presented within Executive and Support Services.

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



## Major Capital Projects

Major Capital Projects	Targeted Completion Date (Year)	Approved Anticipated Total Cost of Project (\$ millions)	Project Cost to Dec 31, 2015
<p><b>Maples and PAC Replacement</b></p> <p>The Province has approved the relocation of the Maples Adolescent Treatment Centre (Maples) and the Community Living BC Provincial Assessment Centre (PAC) Programs, and construction of a new purpose built facility on the Riverview Lands located in Coquitlam.</p> <p>By relocating Maples and PAC the Province intends to meet the following objectives: a modern, improved and permanent purpose built facility to operate these programs; improved security and safety for youth and adults with developmental disabilities and staff; and flexible and adaptable space to allow for any changes to delivery of these programs in future. The new building strives to evolve mental health facilities to state-of-the-art, and maintain privacy and confidentiality for patients and families.</p> <p>Risks are inherent on projects of this size and complexity. In acknowledgment of that fact, MTICS has established a multi stakeholder Project Executive Board to manage the implementation of the project as well as providing oversight and governance on matters pertaining to scope, schedule, budget, procurement, and communications and any other issues that may arise throughout the duration of the project. The Ministry of Finance will retain \$6 million of the total budget as project reserves with MTICS managing the remainder of the overall \$75 million budget.</p>	2018/19	75	0

# Appendices

## Appendix A: Ministry Contact Information

Department	Telephone	Website or Email
BC Innovation Council	<b>In Metro Vancouver:</b> 604 683-2724 <b>Elsewhere in B.C.:</b> 1 800 665-7222	<a href="http://www.bcic.ca/">http://www.bcic.ca/</a>
Government Chief Information Officer	<b>In Victoria:</b> 250 387-0401	<a href="http://www.cio.gov.bc.ca/">http://www.cio.gov.bc.ca/</a>
Knowledge Network Corporation	<b>In Metro Vancouver:</b> 604 431-3222 <b>Elsewhere in B.C.:</b> 1 877 456-6988	<a href="http://www.knowledge.ca/">http://www.knowledge.ca/</a>
Service BC	<b>In Victoria:</b> 250 387-6121 <b>In Metro Vancouver:</b> 604 660-2421 <b>Elsewhere in B.C.:</b> 1 800 663-7867 Outside B.C.:604-660-2421	<a href="http://www.servicebc.gov.bc.ca/">http://www.servicebc.gov.bc.ca/</a>
Premier's Technology Council	<b>In Victoria:</b> 250 356-1894 <b>In Metro Vancouver:</b> 604 827-4629	<a href="mailto:Premier's%20TechnologyCouncil@gov.bc.ca">Premier's TechnologyCouncil@gov.bc.ca</a>

## **Appendix B: Hyperlinks to Additional Information**

### **Listing of Ministry Legislation**

Legislative Assembly of British Columbia: Act/Ministry Responsibilities

### **#BCTECH Strategy**

<https://bctechstrategy.gov.bc.ca/economy/bctechstrategy/>

### **Citizens @ the Centre**

[http://www.gov.bc.ca/citz/citizens\\_engagement/gov20.pdf](http://www.gov.bc.ca/citz/citizens_engagement/gov20.pdf)

### **BC Jobs Plan**

<http://www.bcjobsplan.ca/>

# TECHNOLOGY, INNOVATION and CITIZENS' SERVICES INTEGRATED STRATEGIC PLAN

2016/17 - 2018/19



**Technology, Innovation and Citizens' Services**

**Integrated Strategic Plan**

**Fiscal Period 2016/17 – 2018/19**

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# Our Strategic Context

The Province of British Columbia enjoys an enviable position within Canada. With four consecutive balanced budgets and solid economic growth, B.C. has been able to maintain its AAA credit rating. However, continued focus on fiscal management, cost control and economic growth is still a priority as there are risks in the global economy.

The **Ministry of Technology, Innovation and Citizens' Services** assists in these endeavours as it performs a dynamic role in government to support businesses, citizens, government ministries and broader public sector organizations. We have helped to grow B.C.'s technology sector, and have championed innovation, increased connectivity and the delivery of cost-effective, accessible and responsive services. Understanding our strategic context helps guide our decisions as we strive to make it easier for citizens and businesses to communicate and work with government.

B.C. faces complex and inter-related issues such as an aging society requiring more services, rapid changes in technology, a global move toward more open government – all of which are changing citizens' expectations of government services. The government of British Columbia has responded in a holistic manner, with cross-government plans that set the direction for the public service and focus resources on priority areas. The **Province of British Columbia Strategic Plan** provides government's overarching direction, with a focus on four priorities: cultivating a **strong economy**, capitalizing on our **natural resources sectors**, working towards a **secure tomorrow**, and helping to grow the already vibrant community of **knowledge-based sectors**, such as the technology sector. The technology (tech) sector is growing faster than the economy overall, providing jobs that pay 60% more than the provincial average, and employing more people than the forestry, mining, and oil and gas sectors combined. To support and accelerate this growth, government is taking action to make B.C. a destination for tech entrepreneurs, innovators and organizations.

Government also recognizes that a fundamental shift is taking place in the labour market, and is working hard to align education and training to be more relevant to the needs of industry and today's workforce. Out of the B.C. government's Strategic Plan come two key plans to support this growth: the **BC Jobs Plan**, which speaks to the tech sector's potential as a catalyst for cross-sector growth as well as its significance to the province's economic success; and the **#BCTECH Strategy** which describes how government will use capital, talent and markets to expedite the growth of B.C.'s tech sector. We have an important role to play in helping the tech sector grow, as described in this strategic plan (see priority 3.3 below).

Our strategic context is also shaped by taxpayers' expectations: services delivered on par with their interactions in the private sector; easy access to government services and information; and, assurance that their privacy is protected and their identity information is secured. In response, government has launched a number of initiatives to offer modern service options in a streamlined and co-ordinated manner, and we have responded (see priority 3.1 below). Ideas for how we can streamline and improve our services also come directly from citizens through the Reducing Red Tape for British Columbians initiative, which gives citizens the opportunity to tell us how we can make interactions with government easier and faster.

Taxpayers also expect us to grow the economy by using government's purchasing power to help stimulate B.C. businesses by supporting key economic sectors and helping to develop new markets. Through procurement transformation government has and continues to implement recommendations from the Small Business - Doing Business with Government Project, making it easier for small businesses to do business with government, while maintaining transparency and accountability to achieve value for money.



One way government is improving efficiency and providing value for money is by moving the broader public sector to a shared services model. This shift is occurring in a variety of sectors, including K-12, advanced education, health, and municipal purchasing groups. This presents an opportunity for our ministry to create new business development relationships with the broader public sector and B.C. businesses.

While the mandate of government is complex, a commitment to a balanced budget and fiscal restraint remains, which requires innovative service delivery that keeps pace with citizens' demands and expectations. A professional, skilled and engaged workforce is critical to helping the government innovate and deliver the services British Columbians expect. As an organization we subscribe to the [Corporate HR Plan: Being the Best](#), and work with the B.C. Public Service Agency (PSA) and other ministries to hire and retain a talented workforce, and provide training and career development (see priorities [3.2](#) and [3.4](#) below). We strive to build a continuous improvement culture by engaging, empowering and supporting employees at all levels to continuously improve processes to deliver value to customers.

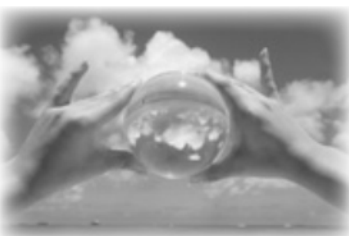
Underlying all of these efforts is the recognition that we must put citizens at the forefront of our efforts and decisions. This strategy guides a more consistent, long-term, co-ordinated vision for how we will apply policy, and develop processes, technology and modern approaches to improve our operations which, in turn, will improve the experience of working in the public service and the services delivered to British Columbians.



## Our Vision and Mission

The ministry's mission is to grow British Columbia's technology sector, champion innovation and enable the delivery of cost-effective, accessible and responsive services to citizens and the public sector.

The ministry supports economic investment and economic growth in B.C.'s tech sector. It helps build an innovative public service by enabling service delivery so that ministries can develop and offer programs effectively, and can provide access through Service BC – the face of government in B.C. communities. The ministry's vision is that the province is recognized for excellence and innovation in technology, services and program delivery for British Columbians.



The ministry has identified four priorities for the coming years: support growth of the B.C. tech sector; modern service experience; modernize systems and workplaces; and engage and develop our people. This plan articulates what we hope to achieve through these priorities, and how we will measure our success.



# Our Priorities

Over the course of the next three years, the Ministry of Technology, Innovation and Citizens' Services (MTICS) will focus on four key priorities to help it achieve its vision, mission and strategic outcomes:

1. Support Growth of the B.C. Tech Sector
2. Modern Service Experience
3. Modernize Systems and Workplaces
4. Engage and Develop Our People

Increasing employee engagement, improving quality of services and identifying opportunities to reduce process time will help us achieve our strategic priorities.



## 3.1 Priority: Support Growth Of The B.C. Tech Sector

*Supporting innovation in the technology sector and supporting B.C. as a world leader for technology investment, research and job growth.*

### How We Will Deliver On This Priority

To support the growth of the B.C. tech sector we will **implement and evaluate the #BCTECH Strategy**, and support commercialization and entrepreneurship. Elements of the strategy include improving access to capital, increasing B.C.'s technology talent pool and facilitating access to new markets. We are responsible for co-ordinating the implementation of the strategy, and reporting on achievements of other agencies to Cabinet, stakeholders and citizens.

Successful support of the growth of the B.C. tech sector requires us to **enhance communication and collaboration between government and the tech sector, and promote awareness and understanding of the sector**. We organize an annual technology summit to support implementation of the technology strategy, which increases communication within the sector and with government through business-to-government meetings, and enhances public awareness and understanding. We also communicate proactively about the sector within government and with key stakeholders and the public.

Through the B.C. Developers' Exchange (Exchange), we support the growth of the tech sector by creating an ecosystem of innovation and collaboration between tech entrepreneurs and British Columbia's public sector. The Exchange represents a major change in how the B.C. public sector engages with the tech sector in the development and acquisition of new software based innovation. Through the Exchange, we share and collaboratively develop public sector code, Application Programming Interfaces and data, and enable building better digital services for the public sector. The Exchange requires government to make a shift towards open systems, open collaboration, and the release of public sector digital resources under open licensing models. It also encourages Agile and human-centred digital services design and modernized methods for systems design, development and operations, as well as new procurement methods that are compatible with the needs and expectations of entrepreneurs and developers in the tech sector.

Innovation occurs rapidly in the marketplace and there is an opportunity to support the B.C. tech sector by more effectively leveraging this innovation in the public sector. However, businesses have raised that it is difficult to find the right person to talk to when they have an innovative product or service that government may not know exists. Government is committed to implementing a new policy and approach to address this issue, and at the annual technology summit will host business to business meetings with tech companies interested in speaking with government officials about existing opportunities and challenges. We will also be implementing a source-to-contract system to streamline and simplify how government procures goods and services.



In addition, we can leverage the tech sector's innovations in our buildings. Technology is present in many aspects of buildings, from the foundation to the heating system to the roofing materials. With a portfolio of over 1,000 owned and leased buildings totalling almost 14,000,000 square feet, boasting advanced communication infrastructure, progressive energy efficiency features and engineered sustainable building products, we are perfectly positioned to make significant contributions to the tech sector's growth in British Columbia.

The development of innovative ideas requires support and we administer the B.C. Knowledge Development Fund (BCKDF) in **support of building research** infrastructure at post-secondary institutions. We also work with other ministries and agencies to ensure government research **funding supports innovation and commercialization**.

## How We Will Track Our Success

**Our Objective:** Implement and Evaluate the Technology Strategy

As monitored through the [B.C. Jobs Plan](#).

**Our Objective:** Provide access to funding in support of targeted research, innovation and commercialization

Performance Indicator	Targets		
	2016/17	2017/18	2018/19
Increase in the number of highly qualified personnel trained with BCKDF-funded infrastructure (including: Post-doctorates, PhD, masters, and undergraduate students)	TBD	TBD	TBD

## 3.2 Priority: Modern Service Experience

*We will deliver a modern service experience by simplifying access to government services, helping more British Columbians connect online to more services provided in a digital format, ensuring those services continue to be provided securely, and ensuring that personal information is protected.*

### How We Will Deliver On This Priority

A modern service experience is one where all digitally provided services, whether directly or through partnerships, are so good that citizens will choose them over those delivered via other service channels (e.g. in-person, by mail, by phone, etc.). To make use of digital services, citizens must be digitally connected. While today 95% of British Columbians have access to high-speed Internet connectivity, government is committed to improving connectivity by ensuring everyone in B.C. has access by 2021. The province-wide Connecting B.C. Program has expanded Internet in over 150 communities and, upon completion, this program is anticipated to increase the percentage of British Columbians who can access high-speed Internet from 95% to 98% by 2019. We are working to bring affordable satellite-based, high-speed Internet to citizens in remote or geographically challenging locations who would otherwise have no other options for the foreseeable future. The B.C. Broadband Satellite Initiative provides assistance with a portion of installation cost, and over 2,700 satellite subscribers have benefited from the program to date. Enhanced access to high-speed Internet (broadband) services in rural and remote areas, and expanded access to cellular coverage along provincial highways, enables us to deliver on our Modern Service Experience priority, while contributing to economic development and diversification, improving health and education opportunities, and enhancing public safety.

Ensuring everyone is able to connect digitally is one piece of a modern service experience. Enabling more digital service is another. The B.C. government is working to realize the potential benefits of digital service delivery, continuous service improvement and integration. For example, we're building the system so that, beginning in November 2016, organizations that fall under the *Societies Act* can digitally manage legislated requirements, such as recording changes to their board of directors or filing their annual reports. We subscribe to Agile principles for systems development, which promote continuous planning and improvement, earlier delivery, and rapid and flexible response to change in order to support a modernized technical infrastructure and associated services.

Connectivity and enabling secure, digital service delivery go hand-in-hand with **simplifying access to government**, for both businesses and citizens. Government spends over \$6.6 billion annually through contracts with tens of thousands of vendors. The need to make it easier for businesses to do business with government has been recognized in both the Doing Business with Government Report and the #BCTECH Strategy. Procurement transformation responds to this need and includes a series of projects designed to improve the way that government acquires goods and services from the marketplace, including new templates and processes, in addition to capacity development and proactive information sharing. Similarly, our Service Management Tools and Processes project will provide our public sector customers with more flexibility in obtaining information and services; assist our organization and vendor/partners in resolving customer issues and delivering services, promptly and professionally; and will assist stakeholders in making informed decisions.

We are also simplifying access to government through improvements to Service BC and the BC Services Card. As a leader in service delivery, Service BC is committed to expanding the number of services it delivers online and through its offices. We are replacing ministry-specific information systems with government-wide information technology solutions, such as an online authentication tool to support a seamless experience for citizens and businesses. Service BC is improving its integration with programs from other ministries and consolidating offices in some locations across the province, while providing Community Access Terminals in its service locations to enable citizens to access online services.

From delivering services like health care and education, to processing billions of dollars in transactions, the B.C. government IT systems handle substantial and sensitive information. We are committed to **protecting information**, and government needs strong IT controls to reduce the impact of risks such as fraud, human error, and down time. With mobile devices increasingly becoming a part of day-to-day business, we are making changes in how we protect sensitive information and ensure adequate security safeguards. Through annual audits and security reviews, we are able to measure risk and compliance, and evolve services and practices to efficiently and effectively address the management, control and protection of governments' information assets.



## How We Will Track Our Success

**Our Objective:** Simplify Access to Government Services

Performance Indicators	Targets		
	2016/17	2017/18	2018/19
Number of two-page, short-form Request for Proposal templates issued annually	80	85	85
The number of consolidated Service BC Offices	Baseline to be established 2016/17	TBD*	TBD
Citizen Satisfaction	At least 90%	Survey conducted every other year; next survey in 2018/19	At least 90%
Business Satisfaction	At least 90%	Survey conducted every other year; next survey in 2018/19	At least 90%

\*Once benchmark developed in 2016/17

**Our Objective:** Improved Connectivity

Performance Indicators	Targets		
	2016/17	2017/18	2018/19
Increased access to high-speed Internet connectivity in rural and remote areas	100% (203 of 203 First Nations)	(completed)	(completed)
Number of project sites for Next Generation Network Project in partnership with education to upgrade network	21 sites	TBD	TBD
Number of highway kilometres with cellular service	1,716 km	TBD	TBD
Percentage of British Columbians who have access to high-speed Internet connectivity (Connecting BC program)	96%	97%	98%

### Our Objective: More Digital Services

Performance Indicators	Targets		
	2016/17	2017/18	2018/19
Number of programs or services using BC Services Card Authentication Service	3	5	TBD
Number of societies that transition, using the new online system	Launch	TBD*	TBD

\*Once benchmark developed in 2016/17

### Our Objective: Protecting Information

Performance Indicators	Targets		
	2016/17	2017/18	2018/19
Increase Compliance Level (IT General Controls)	2.8	3	3.2
Increase % Compliance Level (Mobile Device Security)	50%	80%	100%

## 3.3 Priority: Modernize Systems and Workplaces

*We are committed to modernizing systems and workplaces across the public service and to creating adaptable and accessible workplaces by leveraging the marketplace for leading-edge technologies, taking steps to improve tools and processes, and modernizing voice and data networks.*

### How We Will Deliver On This Priority

In our pursuit to modernize systems and workplaces, we are **leveraging the marketplace for services**, such as the use of cloud services, which provide access to powerful computing capability with the ability to scale up and down on a pay as-you-go financial model. The ability to more easily purchase leading-edge technology enables ministries to meet business transformation needs quickly and ensure value for money. Cloud services support business agility, ongoing efficiency of operational Information Management/Information Technology (IM/IT) delivery and ongoing adaptation to a rapidly changing technological landscape. We have developed a cloud strategy to enable and encourage the adoption of cloud services across ministries and the B.C. public sector. Based on the building blocks of privacy and security, the strategy includes a robust enterprise cloud architecture, refined contract terms and conditions with suppliers, and new guidelines for the appropriate use of cloud services.

We will use CloudBC to support the successful adoption of cloud services in the B.C. public sector. Created by the Council of Chief Information Officers, CloudBC's mandate is the introduction of a marketplace for cloud services for the B.C. public sector. In this first year of operation, CloudBC is developing a competitive

cloud marketplace, pre-qualifying service providers and services based upon standardized terms and conditions and supporting a community of practice to share knowledge across participating entities. We are a contributing participant of CloudBC and are providing expertise in the areas of procurement, security, technology and legal services.

Where it makes sense, we are also looking to the marketplace to balance the most efficient and cost-effective means to deliver services, while maintaining high citizen satisfaction levels and keeping personal information protected. For example, the contact centre consolidation project will reduce the number of contact centres, modernize technology and provide citizens with multi-channel and self-service options. The new model will expand on the current services by adding transactional capabilities. We will also turn to the marketplace to procure the next generation of facilities management services, scheduled to be completed in 2019, and workplace technology services that not only accommodate current business requirements, but allow for ongoing innovation that can respond to changing technology.



As with service delivery contracts, we leverage the marketplace when establishing corporate supply arrangements that are used by ministries and the broader public sector for a wide range of goods and services. We actively promote awareness of these arrangements through an outreach program and updated web presence, and provide web-based tools to help public servants use these arrangements because collaboration across the public sector on sourcing events can reduce duplication, streamline processes and directly contribute to value for money. For example, we are modernizing and automating the ordering of business cards and like products by providing clients access to a web portal to streamline the existing process.

We also directly supply and leverage partnership arrangements to provide a range of goods and services to clients across the public sector by consolidating demands, eliminating cross-government duplication and providing specialized expertise. Delivering value effectively and efficiently is part of our continuous improvement approach to provide these service offerings, which we are also actively looking to market and onboard to the broader public sector, including Crown corporations and municipalities, where our value proposition makes sense.

Modernizing our systems and workplaces encompasses making improvements to our **voice and data networks, workplaces, and tools and processes**. The Voice Modernization Initiative is replacing legacy technology and end points (e.g., telephones, headsets, etc.) in all government offices with new unified communications technologies (Voice-over-IP), which will enhance communication and allow broader collaboration between government offices, as well as improve service to the public and business sector. Similarly, the Network Modernization Initiative is a multi-year project to implement the next generation Government Enterprise Network: a high-speed, reliable, secure and virtual private network that will provide the infrastructure necessary to support emerging technologies and delivery of ministry programs and services across the province. We also support public servants to deliver programs and services by improving the tools and processes they use. For example, the Enterprise Business Architecture (EBA) defines the structure and interaction between strategic priorities and the people, processes and technologies required to meet citizens' service needs. EBA provides a common and shared 'building code' that leverages functionality and capabilities across government to create efficiencies and reduce complexity.

In support of modernizing our workplace, we are building new workplaces, such as the Okanagan Correctional Centre and the Maples Adolescent Treatment Centre at Riverview, and expanding some existing ones, such as the Surrey Pre-Trial Centre and the Surrey Courthouse. We are modernizing and upgrading our office portfolio to provide better workplaces for public servants through the adoption of Leading Workplace Strategies (LWS) and provision of new office space, such as Capital Park in Victoria and the Wood and Innovation Design Centre in Prince George. We have completed 19 LWS projects to date benefiting 2,150 public servants. While

this corporate initiative started in 2012 with a focus on Victoria, in the last year we have expanded it to front-line service delivery offices in other towns as well. We completed the award-winning Surrey Call Centre in partnership with Ministry of Social Development and Social Innovation, and have projects underway in Vancouver, Kelowna and Prince George.

We champion adaptability by stewarding our portfolio to ensure optimal use of space through initiatives such as LWS and the shift towards workforce mobility. Our emphasis in our broad portfolio of facilities remains **sustainability, adaptability and accessibility**. Our sustainable approach to portfolio management helps reduce our Building Energy Performance Index annually, thereby improving our energy efficiency and fulfilling recommendations of the Climate Action Secretariat. In support of the Accessibility 2024 roadmap, we are working to decrease barriers in our facilities, thus increasing accessibility for people with disabilities.



Across our real estate portfolio, we also prioritize our capital needs in order to maintain the required facility conditions. As a result of our strategic approach to real property portfolio management, we increasingly provide guidance on real estate management issues and property acquisitions to other ministries and broader public sector entities. Since 2012, we have been engaged by the Ministry of Finance to appropriately dispose of surplus real estate assets on behalf of government to create economic opportunities and re-invest in modern workplaces, schools and health facilities. This has helped to reduce government expenditures on maintenance and debt servicing, increased revenues for federal, provincial and municipal governments, and enabled the creation of new construction and ongoing jobs due to redevelopment. This work started as a two-year initiative, but is now an ongoing program for government. Some examples are the sales of: Dogwood Pearson Hospital in Vancouver for re-investing in a newer health facility for seniors; South Block in Victoria for a new mixed use development, including new office space for government employees; Willingdon Lands in Burnaby for re-investment in a modern adaptable and accessible building for children and adults with mental health issues; and Belmont Secondary School in Langford for re-investment in a new school in the same neighborhood.

## How We Will Track Our Success

**Our Objective:** Leverage the Marketplace for Services

Performance Indicator	Targets		
	2016/17	2017/18	2018/19
Number of cloud services offered	Baseline	Increasing 10% over 2016/17	Increasing 20% over 2017/18

**Our Objective:** Modernize Voice and Data Networks

Performance Indicators	Targets		
	2016/17	2017/18	2018/19
Percentage of ministry users and offices transitioned to VoIP-UC services	20%	60%	100%
Number of government offices transitioned to modernized network	450*	270	(Completed)

\*As of 2016/17, there are 720 offices remaining to be transitioned. All will be converted by 2018/19.

**Our Objective:** Sustainable, Adaptable and Accessible Workplaces

Performance Indicators	Targets		
	2016/17	2017/18	2018/19
Increase % Barrier Free Accessibility in owned buildings (primary use office, courthouse or health unit)	93%	96%	100%
Reduction in Building Energy Performance Index (BEPI)	Reduction by 5% per year	Reduction by 5% per year	Reduction by 5% per year
Increase in government workers in Victoria in LWS space as part of 50/50 Mobility Shift	37%	50%	Establish provincial baseline and targets
Sustainable Stewardship (maintaining ISO 14001:2015 Certification)	Maintain Registration via surveillance audit	Maintain Registration via surveillance audit	Re-registration Audit for ISO 14001:2015 Certification
Maintain office vacancy rate	<1.65%	<1.65%	<1.65%

**Our Objective:** Improve Tools and Processes

Performance Indicator	Targets		
	2016/17	2017/18	2018/19
Number of projects aligned to the Enterprise Business Architecture (EBA)	Baseline Year	Baseline Year plus 5	Baseline Year plus 10





## 3.4 Priority: Engage and Develop Our People

*We will use succession planning to proactively identify our human resources needs. We will also continue to manage for results, build a culture of continuous improvement, and employ attraction and retention strategies to build capacity and capability within the organization.*

### How We Will Deliver On This Priority

We understand that without the right professionals, who are engaged and committed to our vision and mission, we cannot deliver on our priorities or the projects and initiatives that comprise what we do on a daily basis. We are working to engage and develop our people in alignment with the priority to modernize our systems and workplaces. We know that **succession planning** is key to understanding the kind of employees we need, and when, to excel as an organization. We use analytics and best practices to guide workforce planning and engage strategies to identify critical positions and key streams to succession plan effectively. We are committed to establishing and implementing leadership development tools, such as leadership band reviews, to help us identify opportunities in these areas. Additional initiatives, such as a learning roadmap and career development tool, are being launched to help current employees achieve their career aspirations. The utilization of these tools is a first step in cultivating a talent management culture within the organization and demonstrates our commitment to support the PSA's Being the Best human resources strategy.

We also need to **build capacity and**

**capability**, and we start by treating employees as trusted professionals who are kept informed of the organization's priorities and values.

We are improving knowledge retention and building the capabilities of our employees by focusing on foundational skills such as project management, change management, communications, and contract management. In addition to employing co-op students for unique work opportunities within our ministry, we have initiated an outreach program seeking to attract university graduates for full-time employment. We use HR strategies to focus on specific skill sets, such as the IT HR strategy we are developing with ministry chief information officers and the PSA to

attract IT staff to government. We fully support corporate initiatives such as Work-Able and the Aboriginal Youth Internship Program, which help realize the benefits of increased diversity in the workplace. Furthermore, we employ strategies, such as talent inventories and group hiring, to help us reduce the time it takes to fill approved vacancies. We continually improve our staffing strategies and practices with consideration for the collective agreements and in collaboration with the PSA. Moving quickly ensures we secure top talent while reducing the stress on teams waiting for any vacancies to be filled. We also endorse government's objective of an engaged workforce by conducting the Work Environment Survey (WES) every other year, and by providing analytical tools and approaches to unpacking and understanding the results.

We constantly seek ways to connect staff, internally and across the public sector, with trending technology innovations and leading experts. We put in place tools, such as access to IM/IT industry intelligence services, and host cross-government events, where globally recognized experts share their experience and knowledge in a collaborative environment, and provide staff with experience-based learning; for example, UniverCITZy, the Privacy and Security Conference, and the OCIO Connect Conference.



We will continue to develop a continuous improvement culture in order to support our priorities. The use of Agile and continuous improvement methodologies will increase employee engagement, improve quality of services, and reduce process time. Eliminating wasteful steps is key to modernizing our services and systems, and increasing the quality of outputs.

## How We Will Track Our Success

### Our Objective: Succession Planning

Performance Indicators	Targets		
	2016/17	2017/18	2018/19
Completion of workforce analysis to identify mission-critical positions and key stream priorities	Completed analysis of mission critical positions and key stream priorities with Stage 1 data (i.e., headcount, average age, stability, STIIP, utilization, etc.)	To be completed using Stage 2 data/criteria TBD	To be completed using Stage 3 data/criteria TBD
Per cent improvement in competency scores for BL/SL reviews	Establish baseline	TBD*	TBD*

\*Once benchmark developed in 2016/17

### Our Objective: Build Capacity and Capability

Performance Indicators	Targets		
	2016/17	2017/18	2018/19
Ministry Work Environment Survey (WES) overall engagement score	70	N/A (Survey is conducted every other year)	Meet or exceed baseline year (2015/16)
WES scores on staff professional development training	n/a*	3% increase over baseline  (baseline is 68%, established in 2015/16)	n/a*

\*The WES is completed every two years.

# Appendix A: Resource Summary

Core Business Area <sup>1</sup>	2015/16 Restated Estimates <sup>2</sup>	2016/17 Estimates	2017/18 Plan	2018/19 Plan
<b>Operating Expenses (\$000)</b>				
Services to Citizens and Businesses	17,923	18,044	18,389	18,746
Office of the Chief Information Officer	9,961	9,959	10,046	10,125
Technology, Innovation, Procurement and Supply	5,754	6,661	7,018	7,337
Real Property	269,309	282,050	290,165	290,452
Technology Solutions	146,049	146,072	146,381	146,653
Transfers to Crown Corporations and Agencies <sup>3</sup>	12,350	12,350	12,350	12,350
Executive and Support Services	17,667	16,861	17,009	17,147
<b>Total</b>	<b>479,013</b>	<b>491,997</b>	<b>501,358</b>	<b>502,810</b>

<b>Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)</b>				
Office of the Chief Information Officer	41,590	55,339	78,130	74,820
Real Property	132,275	133,752	196,968	128,446
Technology Solutions	18,561	15,558	11,644	10,821
Executive and Support Services	10	10	10	10
<b>Total</b>	<b>192,436</b>	<b>204,659</b>	<b>286,752</b>	<b>214,097</b>

Other Financing Transactions (\$000)				
<b>Release of Assets for Economic Generation</b>				
<b>Receipts</b>	(5,500)	(4,000)	(5,000)	(0,500)
<b>Disbursements</b>	5,500	4,500	3,000	2,000
<b>Net Cash (Requirements)</b>	0,000	0,500	(2,000)	1,500
<b>Total Receipts</b>	<b>(5,500)</b>	<b>(4,000)</b>	<b>(5,000)</b>	<b>(0,500)</b>
<b>Total Disbursements</b>	<b>5,500</b>	<b>4,500</b>	<b>3,000</b>	<b>2,000</b>
<b>Total Net Cash Source (Requirements)</b>	<b>0,000</b>	<b>0,500</b>	<b>(2,000)</b>	<b>1,500</b>

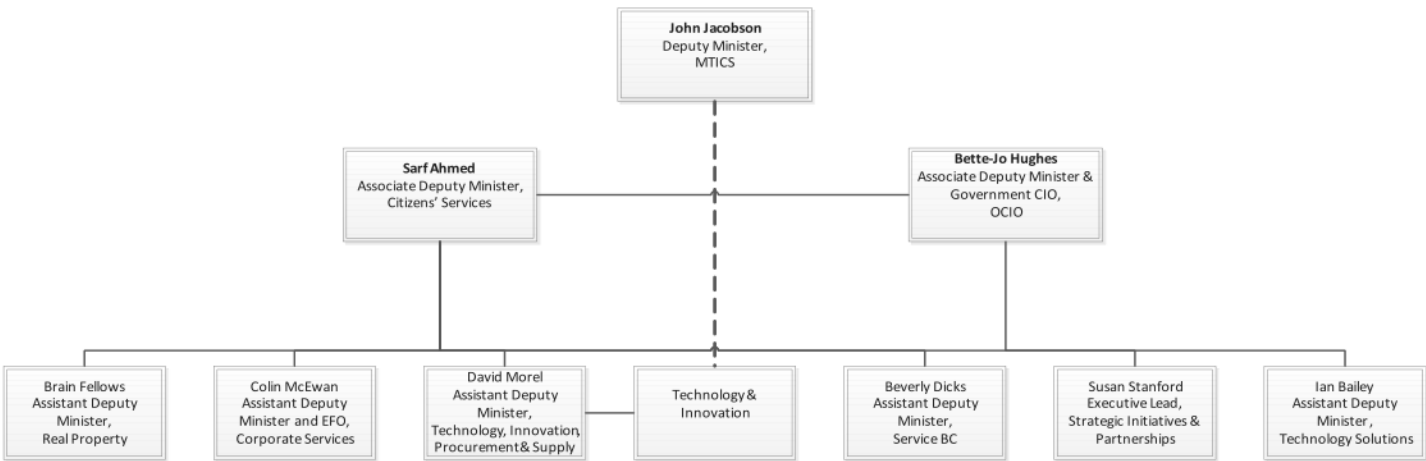
<sup>1</sup>Core Businesses adjusted to reflect formation of Technology, Innovation, Procurement and Supply Division, which includes the budget for Logistics and Business Services, Innovation and Technology, and an allocation from the Office of the Chief Information Officer core businesses. This presentation will differ from the ministry Service Plan and Estimates budget.

<sup>2</sup>For comparative purposes, amounts shown for 2015/16 have been restated to be consistent with the presentation of the 2016/17 Estimates.

<sup>3</sup>For all years, includes \$6,090,000 for the B.C. Innovation Council, formerly presented within Innovation and Technology, and \$6,260,000 for the Knowledge Network Corporation, formerly presented within Executive and Support Services.

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

# Appendix B: Organizational Structure



# Appendix C: Core and Centralized Business Functions

Core functions are not divisions, branches or units, nor are they intended to be programs, strategies, projects, initiatives or the like. Core functions help us to define, in broad strokes, the work that we do and, in turn, help us to explain to those outside the ministry what we do. Our programs, strategies or projects align to one or more core functions.

**Core business functions** speak to the work we deliver primarily externally to public sector clients, citizens and businesses in British Columbia. MTICS may also participate in, or benefit from, some of the activities as part of the B.C. public service.

**Core Centralized (enabling) functions** are those delivered internally and are strictly for the benefit of MTICS, which are also called ministry internal services or enabling functions

Business Function: Front-line Services	
Front-line Services	Delivery of MTICS services to businesses and citizens such as B.C. Registry services, (registration of business, personal property and manufactured homes); BC Stats (providing statistical information and analysis to ministries and citizens); revenue collection (BC Hydro, hunting licenses, Societies and Corporate registries, other fees and fines); and the BC Services Card (enabling citizens to safely and securely access multiple government services both in person and online).
Front-line Services	Delivery of select informational and transactional services of other ministries to businesses and citizens via Enquiry BC, a toll-free telephone service, and email access and in-person access through over 60 Service BC Centres across the province.

<b>Core Business Function: Shared Services to Core Government &amp; Broader Public Sector</b>	
<b>Procurement</b>	The acquisition of goods and services for ministries and the broader public sector, including construction of buildings and IM/IT products. Procurement transformation refers to the enhancement of corporate tools like BC Bid as well as enterprise-wide supply arrangements, including vehicle fleet and charge card management.
<b>Real Property</b>	Management of both lands and buildings and everything needed to design and establish a government workplace. This includes managing facilities and lands, accommodation planning, lease and landlord management, asset and portfolio management, capital planning, construction and project management, site selection and acquisition, and disposition of surplus real property.
<b>Logistics</b>	Full-service inventory management and product distribution or disposal to ministries, Crown corporations and other government-funded organizations, using the Asset Investment Recovery and distribution centres located throughout the province. Asset services include warehousing, investment, recovery and disposal, redistribution of supplies (e.g., pharmaceuticals, medical supplies, uniforms, emergency preparedness products, printed materials) as well as management of the intellectual property and licensing for the ministry.
<b>Print and Mail Services</b>	Processes and distributes mail, and provides printing and publishing services, including distribution and electronic publishing via Queen's Printer and Queen's Printer Publishing Services. Print and mail services include large scale scanning, print brokerage, insertion, distribution, house mail, as well as publishing of the BC Laws.
<b>BC Stats</b>	Provides a wide range of statistical and performance measurement services to ministries and to the broader public sector. Services include: economic analysis for the Ministry of Finance's budgeting process, measuring the size and impact of British Columbia's high technology sector, post-secondary education and labour market outcomes, and the BC Public Service Work Environment Survey.
<b>Telecommunications and Network Infrastructure</b>	Provides a data network, which is the backbone connection for applications and devices, and a voice network, which connects all government offices across the province as well as strategic telecommunications services.
<b>Architecture &amp; Standards</b>	The Office of the Chief Information Office (OCIO) leads the Enterprise Architecture practice for government and the development of IM/IT architectures and standards. The OCIO manages corporate software assets, and leads the integrated product and service planning for technology solutions. The OCIO is the business process owner for the product and service development lifecycle for the strategy, plan and design phases for business applications.
<b>IT Service Delivery</b>	IT Service Delivery plans, designs, implements and delivers corporate IT services, maintains corporate IT infrastructure and provides corporate applications.

<b>Core Business Function: Shared Services to Core Government &amp; Broader Public Sector</b>	
<b>Device, Infrastructure and Productivity Tools</b>	Provides ministries and broader public sector organizations with the technology services and hosted infrastructure required to deliver services to citizens and ensure employees have the tools they need to do their jobs and deliver effective services to citizens.
<b>Security</b>	Conducts security threat risk assessments and compliance reviews, assists with security investigations, develops security guidelines and procedures, and provides advice and guidance to stop security breaches.
<b>Identity Management</b>	Provides ministries and broader public sector organizations with identity and authentication technology and integration services to ensure employees, businesses, and citizens have access to government online services with the confidence that security and privacy is respected.

<b>Core Business Function: Governance</b>	
<b>Strategy and Transformation Planning</b>	Develops technology roadmaps and business architectures to enable ministries to deliver services to citizens, partners on strategic initiatives with the broader public sector (e.g., Council of CIOs) and engages inter-jurisdictionally on IM/IT future direction.
<b>Strategic Partnerships Office</b>	Responsible for oversight and support over strategic, high-value contracts across government. The scope of the contracts extends beyond any individual ministry and core government, and includes a number of contracts being accessed by broader public sector organizations across the province. Oversees supports and manages these contracts, and develops new initiatives. Also focuses on contract performance management, procurement modernization, knowledge management, and building the skills/abilities across government to effectively manage these complex, multi-year contracts.
<b>Policy</b>	Delivers and provides advice and awareness on mandated governance authority for corporate IT policy, IM/IT standards, identity information management and information security, including development, stakeholder engagement, approvals, oversight and evaluation of compliance.
<b>IM/IT Capital Investment</b>	Manages government's IM/IT capital investment budget in line with strategic priorities on behalf of IM/IT Capital Project Board, ensures investment and project management tools and processes comply with governance standards and monitors IM/IT capital projects within the portfolio to ensure benefits are realized.
<b>#BCTECH Strategy</b>	The #BCTECH Strategy is one of the key sector strategies under the BC Jobs Plan. It aims to create jobs by supporting innovation, commercialization and entrepreneurship. Elements of the strategy include: improving access to capital, deepening B.C.'s technology talent pool and facilitating access to new markets. The strategy was developed and will be implemented with the BC Innovation Council and Premier's Technology Council. The BC Knowledge Development Fund will also continue to be utilized to build research infrastructure in post-secondary institutions and support commercialization and innovation.



## Centralized Support Functions: Core Enablers

<b>Internal Services</b>	Comprises IM/IT, internal communications, strategic HR, financial services, planning and reporting, and facilities management. Provides day-to-day management support in carrying out the ministry's business functions.
<b>Continuous Improvement</b>	Leads continuous improvement strategies to support: strategic priorities, business operations solutions and employees' empowerment to improve work unit processes. Works to streamline individual's work, support a strong team, improve leadership and guide organizational improvement.
<b>Business Continuity Management</b>	<p>Establishes Business Continuity Planning (BCP) management programs, ensures that all elements of BCP management are in place, maintained, tested and in compliance, including: disaster recovery plans, Ministry Operation Centre plans, risk assessments, business impact analyses and recovery strategies. Also works in co-ordination with the Chief Warden to ensure emergency preparedness awareness and training is maintained throughout the year for all MTICS staff.</p> <p><u>Related Government Core Policy: Business Continuity Management</u></p>
<b>Risk Management</b>	<p>Leads process to identify ministry-wide strategic risks; provides in-year monitoring and reporting against these risks. Maintains and updates ministry-level risk registers, which are shared annually with the government Chief Risk Office and Risk Management branch. Planned risk mitigations are tracked and recorded and provided to the Risk Management branch, semi-annually. Leads work to develop a risk management culture within the organization.</p> <p><u>Related Government Core Policy: Risk Management</u></p>