Ministry of Technology, Innovation and Citizens' Services

BRIEFING BINDER – JULY 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
Total	**491,997**	**564,013**

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
Total	204,659	289,723

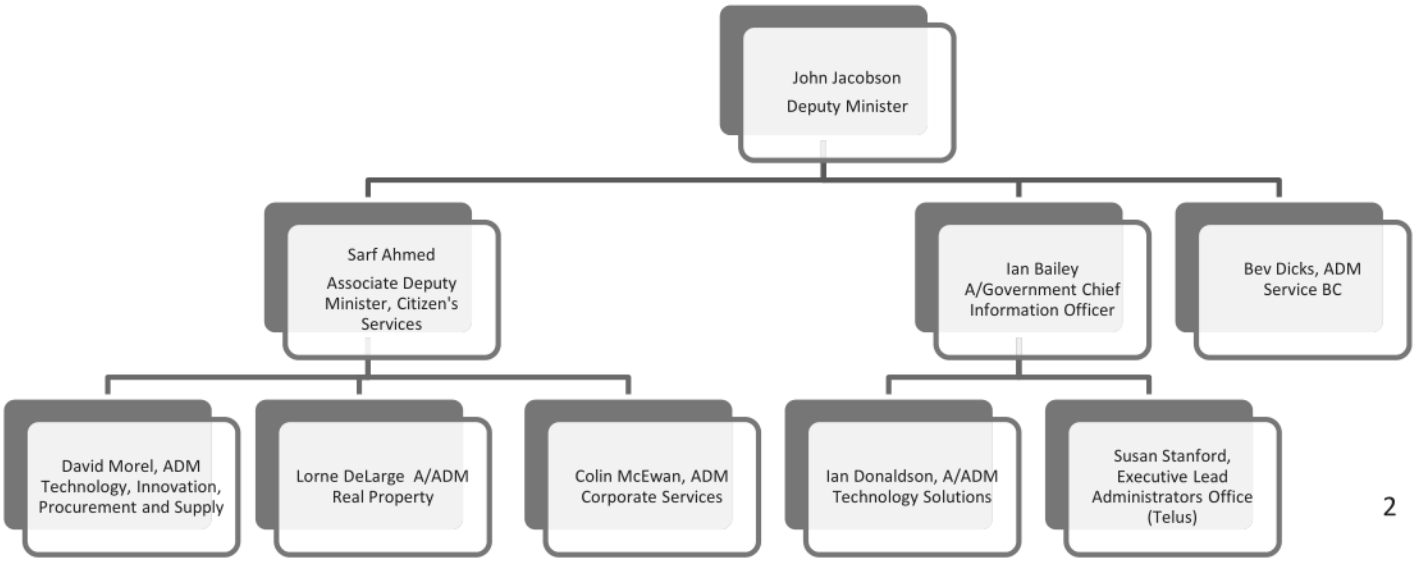
The Ministry's capital budget for 2017/18 is $289.7 million, which is a net increase of 42%, or $85 million, compared to the 2016/17 restated budget.

- 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).

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.

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 by May 19th, 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

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
s.22

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 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 Office 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.

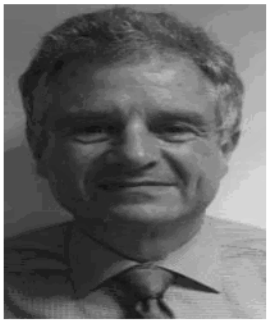
Technology Solutions provides the cost-effective management and supply of IM/IT services such as data and voice networks, workstations and mobile devices, messaging and collaboration services, information security, identity management, data centre and application hosting, and enterprise architecture 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 of introduction Managed Print Services.

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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

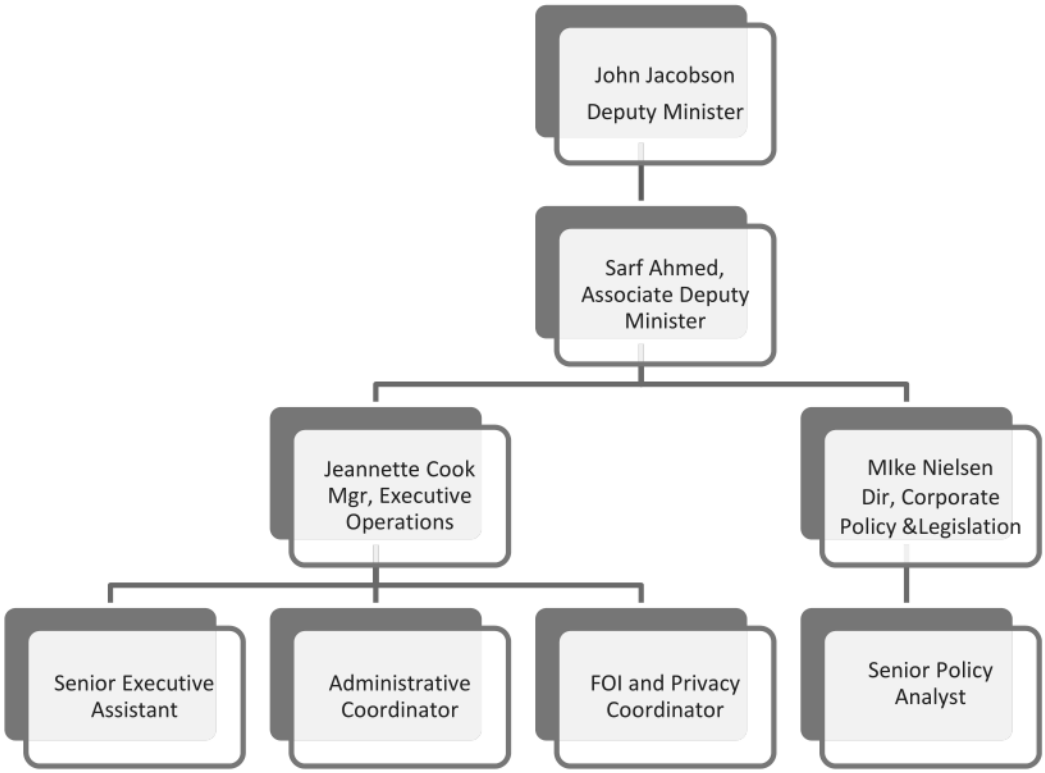
	Restated 2016-17 Budget	**2017-18 Budget**
Salaries and Benefits	$0.408M	$0.809M
Operating Costs	$0.115M	$0.115M
Grants	-	-
Other Expenses	$0.016M	$0.016M
Gross Expenditure Total	**$0.539M**	**$0.940M**
Total Recoveries	-	-
Net Expenditures	**$0.539M**	**$0.940M**
Total Capital	**-**	**-**

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

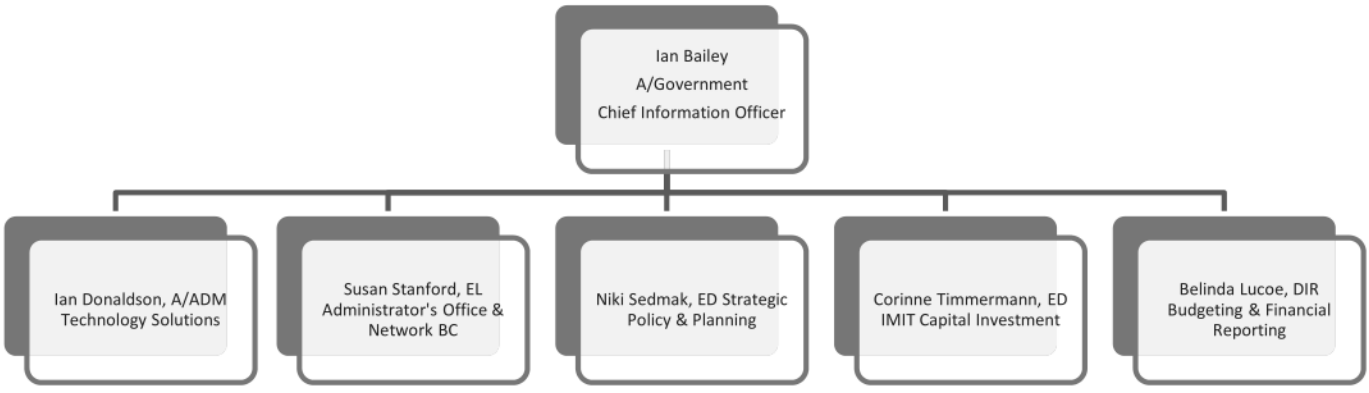
	Restated 2016-17 Budget	2017-18 Budget
Salaries and Benefits	$8.349M	$8.420M
Operating Costs	$2.295M	$2.295M
Grants	$0.500M	$40.500M
Other Expenses	-	-
Gross Expenditure Total	**$11.144M**	**$51.215M**
Total Recoveries	**($1.185M)**	($1.185M)
Net Expenditures	**$9.959M**	**$50.030M**
Total Capital	**$55.339M**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

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:

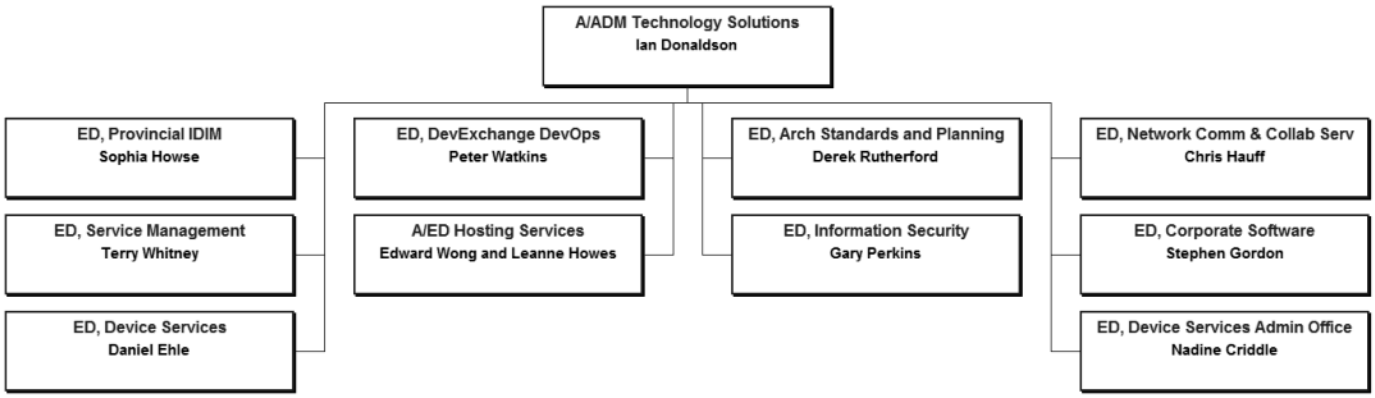
1. Architecture, Standards, and Planning – IM/IT standards and architecture development for government.
2. BC Developers' Exchange and DevOps - the BC Developers' Exchange is enabling ministries to work openly and in collaboration with BC's technology sector to create more opportunities for smaller businesses 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
Gross Expenditure Total	**$245.573M**	**$245.906M**
Total Recoveries	**($94.268M)**	**($94.332M)**
Net Expenditures	**$151.305M**	**$151.574M**
Total Capital	**$15.558M**	**$11.644M**

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 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 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

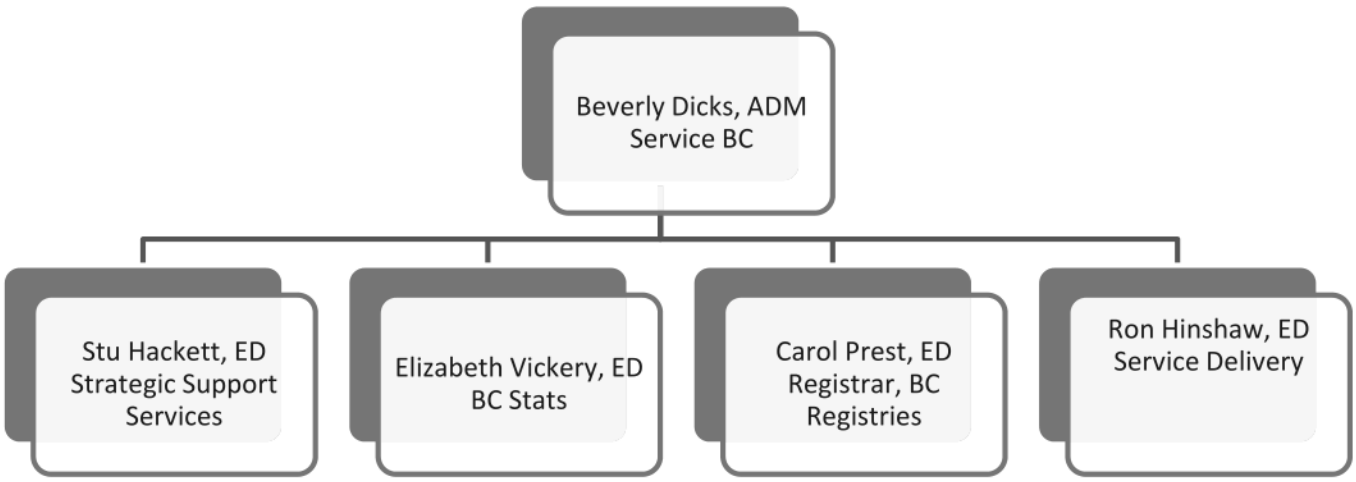
	Restated 2016-17 Budget	2017-18 Budget
Salaries and Benefits	$26.922M	$27.260M
Operating Costs	$10.213M	$10.213M
Grants	-	-
Other Expenses	$0.904M	$0.904M
Gross Expenditure Total	**$38.039M**	**$38.377M**
Total Recoveries	**($19.995M)**	**($19.996M)**
Net Expenditures	**$18.044M**	**$18.381M**
Total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

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 the 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 the BC Tech Strategy, including considering and advocating for government policies and programs that help support the tech sector in areas such as labour market development, education and export development. Also organizes, with British Columbia Innovation Council, 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

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

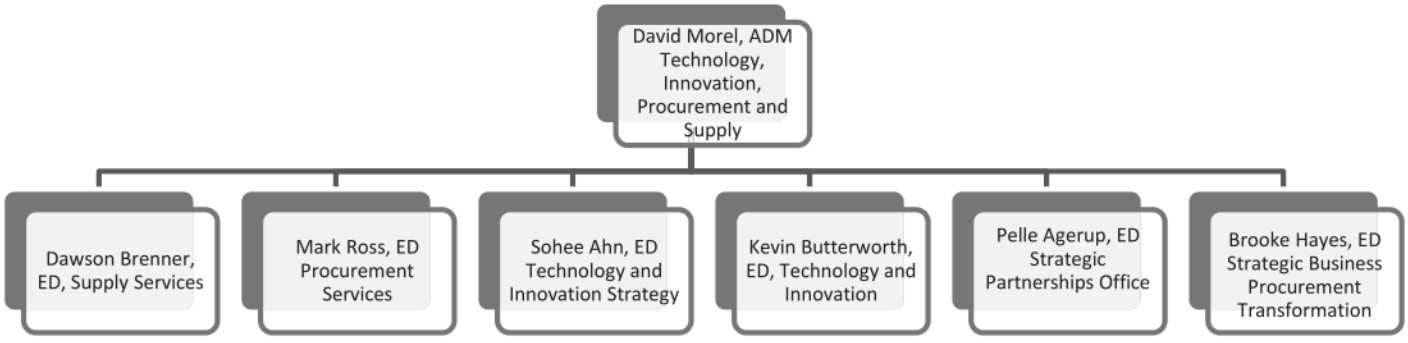
Note: Budget allocation above includes the following sub-sub votes:

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

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

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

Full Time Equivalents (FTEs): 177

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.

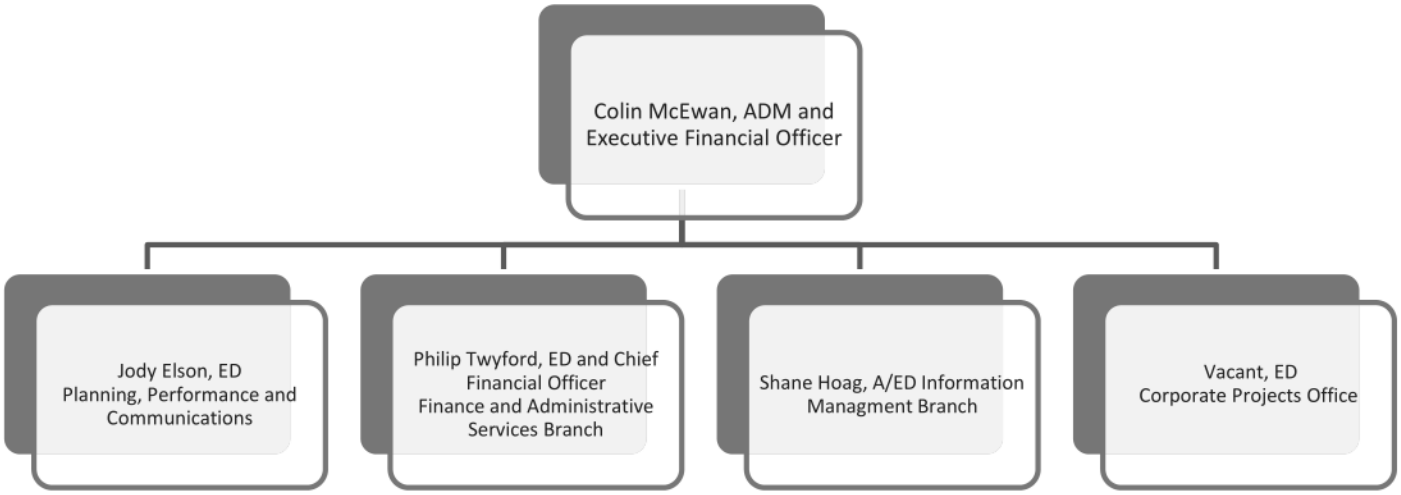
Budget

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

Full Time Equivalents (FTEs): 111

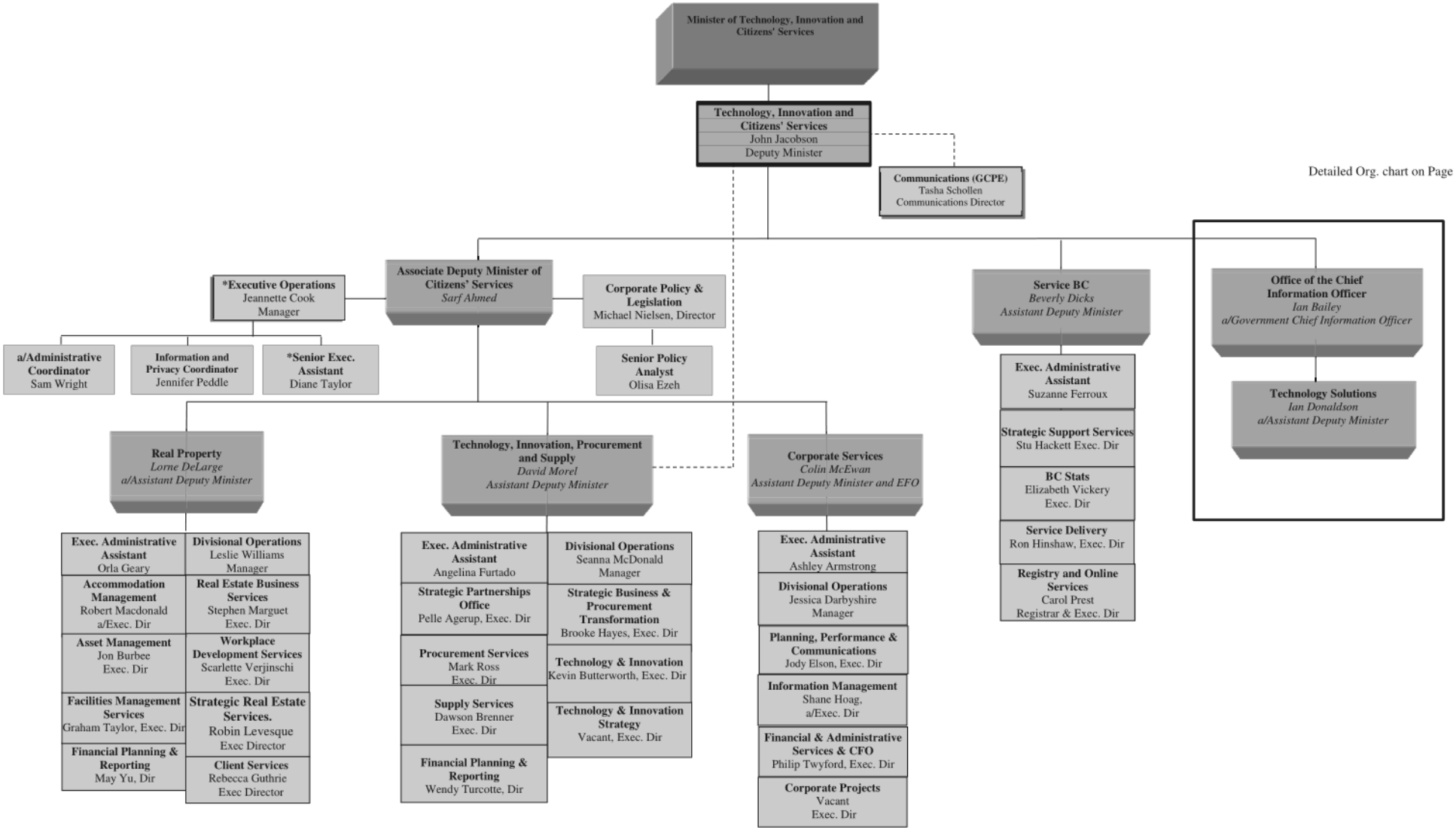
Related Legislation: None

Organizational Chart:



BRITISH COLUMBIA

Ministry of Technology, Innovation and Citizens' Services

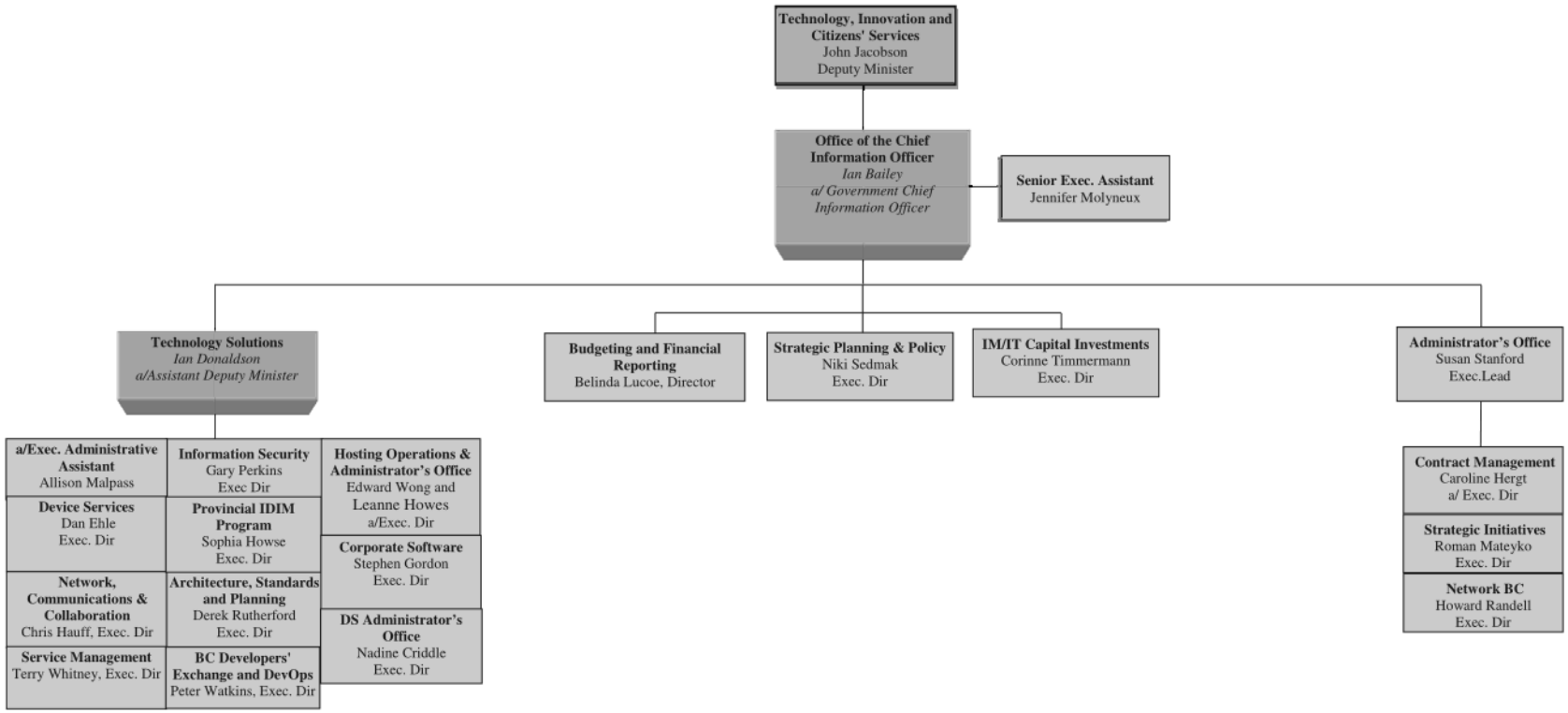


*Support to John Jacobson
and Sarf Ahmed

Prepared by: Prepared by: Planning, Performance & Communications. Updates/Corrections email Doerte Halling-Brown, last updated June 6, 2017

BRITISH COLUMBIA

Ministry of Technology, Innovation and Citizens' Services



Prepared by: Prepared by: Planning, Performance & Communications. Updates/Corrections email Doerte Halling-Brown, last updated June 6, 2017

RELEASE OF ASSETS FOR ECONOMIC GENERATION (RAEG) PROGRAM
Real Property Division

Lead Executive
Sarf Ahmed, Associate Deputy Minister

Background

The Province has periodically sold crown land properties since the 1980s. A Crown Land Opportunities sales program has been in operation for many years through the Ministry of Forests, Land and Natural Resources (FLNRO) and its predecessor ministries. Similarly, the Ministry of Transportation and Infrastructure has been selling surplus land acquired for highway developments through the BC Transportation Finance Authority (BCTFA). Other ministries such as the Ministry of Technology, Innovation and Citizens' Services (MTICS) (formerly BC Buildings Corporation) have the authority to sell land under the Public Agency Accommodation Act and disposed of surplus properties for decades as part of maintaining a responsible approach to portfolio lifecycle management.

In 2012, the Ministry of Finance decided to have a coordinated approach across the BC Government for sale of surplus assets, bringing together the sales activities of various ministries and BC Public Sector, through a centralized project management initiative administered by MTICS. This was initially launched as a two year initiative to sell surplus assets in 2013/14 and 2014/15 and has since evolved into an ongoing program for the comprehensive management of surplus assets. The Minister of Finance is the minister accountable for this program. MTICS was asked to manage the program on behalf of the Ministry of Finance as it has the real estate expertise to oversee it.

Several ministries including MTICS, government agencies and Crowns offer the sale of real estate assets as part of their typical business practices. The program's mandate is to oversee the release of these crown land opportunities or assets, thereby generating revenue, economic activity, jobs and other benefits in communities throughout BC.

The following ministries with crown land properties are part of this initiative:

- Ministry of Health (includes health authorities) (MOH)
- Ministry of Education (includes school boards) (MED)
- Ministry of Advanced Education (includes universities, colleges and institutions) (AVED)
- Ministry of Forests, Lands and Natural Resources Operations (FLNRO)
- Ministry of Transportation and Infrastructure (MOTI)
- Ministry of Technology, Innovation and Citizens' Services (MTICS)

Crown corporations subject to a regulator for rate setting, such as BC Hydro and ICBC, are not part of this program.

Proceeds of sales by the SUCH sector (Schools, Universities, Colleges, and Health Authorities) are retained by these entities for re-investment to upgrade their facilities. For example, the new Belmont School in Langford was partly funded through sale of the old school. The Pearson Dogwood redevelopment project in Vancouver is partly funded by proceeds from the sale of the old hospital. Proceeds of sales by government ministries go to Ministry of Finance.

MTICS' role is to provide project management through its Real Property Division. This includes assisting ministries with the identification of crown land opportunity properties, coordination with other ministries/organizations that are part of the program, conducting due diligence prior to sale of a property, conducting the sale, maximizing the return to government and reporting to the Ministry of Finance. Due diligence includes: ensuring that environmental assessment has been completed where required; conducting appropriate consultation with First Nations (often culminating in the negotiation of an economic benefits agreement with First Nations); ensuring the property has a recent market appraisal; undertaking appropriate consultations with municipalities and other stakeholders; and developing a marketing plan for the property.

MTICS undertakes its project management role through a combination of its own staff and external consultants. Organizations with real estate expertise (such as health authorities, MOTI and FLNRO) undertake these tasks for their own properties and provide regular reports to MTICS.

Decisions regarding adding or removing a crown property to or from the approved inventory for sale are made by the Minister of Finance. The Deputy Minister of Finance can approve addition of surplus properties valued at less than $10 million.

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Current Context

As part of Budget 2012, the Province undertook a targeted review of its major asset base to identify those properties that were surplus to its needs or created a business opportunity that could raise revenue for the crown. The results of this initiative saw a number of crown properties and assets identified and released for sale to other levels of government including First Nations, community organizations, and the private sector. As a matter of practice, before making properties available on the open market, the Province has offered First Nations and local governments the opportunity to purchase the property for appraised value. Many of these sales have enabled significant economic development opportunities, as well as the delivery of key community priorities.

Since fiscal 2013/14 the program has generated $854 million of direct revenue for the Province ($311 million FY 2013/14; $125 million FY 2014/15; $358 million FY2015/16 and $60 million (unaudited) in FY2016/17), and supported new economic activity including development and new business opportunities in communities around British Columbia.

BC Stats has estimated the total economic impact (includes redevelopment, indirect & induced) of the sale of Dogwood Pearson to be approximately $3.104 billion. In addition, there are other benefits such as the extension of public transportation.

The fiscal plan released as part of *Budget 2017* forecasts net gains from sales of crown land properties of $344 million (FY 17/18 - $119 million; FY18/19 - $201 million; and FY 19/20 - $24 million).

The Office of the Auditor General is currently undertaking an audit of this program with the final report to be issued in June/July 2017. Preliminary findings shared with the staff indicate that the program met its objectives with certain exceptions.

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Major Activities in 2017/18

s.12,s.13

Key Decisions in 2017/18

s.12,s.13

SALE OF THE JERICHO LANDS
Real Property Division

Lead Executive
Sarf Ahmed, Associate Deputy Minister

Background
Since the early 1990s, the Musqueam, Squamish, and Tsleil-Waututh First Nations (MST) consistently expressed their Aboriginal interest in the Jericho Lands (Lands) located in the West Point Grey neighbourhood of Vancouver.

The Lands have not been in active use by the Province since closure of the provincial School for the Deaf in 1992. West Point Grey Academy operates a school on a portion of the Lands and there are some community facilities and a child care.

The Jericho Lands are split into two parcels; one half is provincially owned (consisting of two separately titled parcels, one has been transferred to MST and one will be transferred on November 1, 2017). The other was owned by the Federal Government who transferred it to the Canada Lands Corporation and a First Nations consortium consisting of the MST.

After MST entered into the transfer agreement with the Federal Government they wanted to get ownership of the provincial parcel as well so that both parcels could be combined and a consolidated master plan developed for approval by the City of Vancouver. As a result, a formal request was made to the Province expressing the desire to purchase the Provincial parcel. Subsequent discussions between MST and the Province resulted in sale agreement for $480 million in 2016 between the Province and MST based on the appraised value less an allowance for community amenities charge.

The appraisals were prepared based on agreed upon assumptions with regards to density on potential future development, and that were reached based on discussions with senior City planning staff including former City manager. The Purchase Sales Agreement also includes a "vendor take back mortgage" component which the Province agreed to provide to the MST in order to finance their purchase of the lands.

Current Context
The provincial Jericho Lands consist of two parcels, Block A and Block C. The title to Block C was transferred to the MST on February 1, 2017, while Block A is scheduled to transfer on November 1, 2017.

The First Nations are aware of the community's expressed desire to have meaningful consultation on the future of the Lands; as such, they are keen to reach an agreement in order to begin a discussion about how any potential development will benefit the community. Having certainty with regards to both parcels (federal and provincial) will allow consultation to take place in a meaningful and effective

way, as well as meet the City's stated desire for planning and development to occur collectively for both parcels, and ensure a coherent plan for the entire area.

In addition to the revenue generated by the sale of the property, the sale of the property to the MST will generate other impacts including:

- Confirming the sale and transfer of the Lands to the First Nations is a further step towards reconciling the Nations' and the Province's interests in respect of assertions of rights and title to the traditional territories and confirms the settlement of all of the Nations' claims to the Jericho Lands;
- Obtaining stewardship of the Lands represents a significant economic development opportunity for First Nations;
- Releasing the Lands for potential development could help improve the affordability of housing in Vancouver by increasing the supply of inventory available for potential development; and
- The Province and City will benefit from increased economic activity as a result of development.

Major Activities in 2017/18
Completion of the sale of the final parcel (transfer of the title to Block A on November 1, 2017).

Key Decisions in 2017/18
N/A

ROBSON SQUARE REVITALIZATION PROJECT
Real Property Division

Lead Executive
Ministry Lead: Sarf Ahmed, Associate Deputy Minister

Background
The revitalization of Robson Square, in Vancouver, is a cross-government initiative proposed to reinvigorate the provincially owned Robson Square site and the surrounding business district as a s.17
s.17
s.17 MTICS will work jointly with Ministry of Advanced Education, UBC and others on this project.

Robson Square, bounded by Howe, Hornby, Smyth and Robson streets, accommodates BC Law Courts as well as the UBC downtown campus. The site, designed by BC. architect Arthur Erikson, holds municipal, provincial and national heritage designations.

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Given Robson Square's significant profile architecturally, functionally (Law Courts, UBC) and as a public amenity, broader impacts and opportunities must also be considered. This includes considerations for transit planning, urban and heritage design as well as for the businesses in the precinct.

Current Context
The current plan to achieve this vision, announced in April 2017, requires the Province to initiate and innovative, creative and transparent engagement process to seek input of British Columbians on the future of the Robson Square district. The Province will work closely with the City of Vancouver and stakeholders including the judiciary, Vancouver Art Gallery and others to honour and protect the legacy of Robson square and revitalize it as a catalyst for technology, education and culture. Special emphasis will be put on the involvement of young architects in shaping the revitalization.

It is envisioned that Robson Square's innovation hub will be connected by transit to the various innovation clusters across Metro Vancouver, such as the new St. Paul's Hospital and the new Emily Carr campus in False Creek Flats, BCIT in Burnaby and Innovation Boulevard in Surrey amongst others.

Reflecting heritage best practices, an initial statement of architectural significance for the Robson Square complex will be completed to confirm the key components of Arthur Erickson's design legacy. A parallel real estate review of the adjacent district will identify other opportunities for technology and postsecondary clusters. Once this engagement is complete, all parties will be brought together to finalize the vision for both the site and the district.

Contact: Lorne DeLarge, Acting ADM, Real Property Division **Phone:** (250) 508-8709
Date: May 29, 2017

Following the engagement, a project team will undertake a technical analysis and present detailed design and real estate options for further review, concluding in a final design program and investment strategy for implementation. This process will be overseen by a stewardship council of distinguished architectural and industry leaders to ensure this inclusive engagement is rooted in best practices of architectural heritage retention and maximizes the potential for new, innovative opportunities around the treasure that is Robson Square."[1]

Major Activities in 2017/18

s.13

Key Decisions in 2017/18

s.13

[1] https://news.gov.bc.ca/files/RobsonSquare_Backgrounder.pdf

CANADIAN FREE TRADE AGREEMENT
Technology, Innovation, Procurement and Supply

Lead Executive
David Morel, Assistant Deputy Minister

Background
Since December 2014, federal, provincial and territorial governments have engaged in negotiations to strengthen and modernize the Agreement on Internal Trade. They were guided by direction from premiers and the federal government to secure an ambitious, balanced and equitable agreement that would level the playing field for trade and investment in Canada.
The new Canadian Free Trade Agreement (CFTA) resulted from these negotiations. It commits governments to a comprehensive set of rules that will help to achieve a modern and competitive economic union for all Canadians. The Bank of Canada estimates that lowering internal trade barriers could raise Canada's real GDP by up to 1% by 2025, or more than $1,500 per Canadian family.
The CFTA will take effect on July 1, 2017, and will reduce barriers to trade, investment, and worker mobility. It will increase choice for consumers, expand access to government contracts, and provide more jobs for British Columbians. It includes rules that open trade in goods and services, processes that reduce differences in regulations and standards, and provisions that increase access to government procurement opportunities for Canadian businesses. The agreement also establishes new processes to liberalize domestic trade in areas such as alcoholic beverages and financial services.

Current Context
CFTA is expected to have notable implications for innovation and procurement, leading to the following benefits for BC:

1. Creates more jobs, business opportunities and choice
    - Immediate access to more markets for businesses to sell their goods and services.
    - More good-paying jobs and expanded opportunities to work in different regions of the country.
    - Broader choice of goods and services at lower prices for consumers.
2. Establishes better aligned rules and regulations
    - A new Regulatory Reconciliation and Cooperation Table that will address regulatory barriers to trade across Canada.
    - CFTA's rules will apply automatically to almost all areas of economic activity in Canada, with any exceptions being clearly identified.
3. Improves competitiveness for local businesses
    - CFTA will help Canadian businesses scale up at home so they can more effectively compete globally.
    - The CFTA will better align with Canada's commitments under international trade agreements, reducing compliance costs for Canadian firms who do business both at home and internationally.
4. Supports Canadian innovation

- CFTA rules automatically apply to economic activity in new and emerging sectors, such as clean technology, the sharing economy and information and communications technology.

5. Expands business opportunities for Canadian suppliers to government
    - Businesses from across the country will benefit from more opportunities to bid on a wider range of government contracts beyond the borders of their home province or territory.
    - For the first time, the energy sector and many energy utilities will be covered by open procurement rules, resulting in more than $4.7 billion per year in procurement being opened up to broader competition.
    - Open procurement will be enforced by mechanisms that allow suppliers to challenge contested bids. These mechanisms will be in place for all federal, provincial and territorial governments.
    - Governments will cooperate to implement a single electronic portal, which will make it easier for Canadian businesses, especially small- and medium-sized companies, to find procurement opportunities across the country.

Major Activities in 2017/18

CFTA will come into force on July 1, 2017 – Canada's 150th birthday. CFTA has set out a timeline for additional work to take place. It is not clear whether and to what extent this work will require MTICS participation.

- Within six months, parties to the agreement will start discussing how to incorporate rules on financial services into the CFTA.
- Within a year, a working group on alcohol must submit its report to the Committee on Internal Trade to identify opportunities to enhance internal trade in alcohol.

Key Decisions in 2017/18

There are currently no key MTICS decisions anticipated for 2017/18.

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
- As part of the Province's emerging rural economic development strategy, and to build on the success of the 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]
    [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 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.
- Currently, B.C. is estimated to be below the national average with 80% of British Columbians with Internet access of 50Mbps or better.

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 managers 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, with 20 more being installed in the coming years.

Major Activities in 2017/18

s.12,s.13

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

New Federal Programs

May 2017: NDIT receives applications from Connect To Innovate applicants to leverage program
May 2017: Work with federal government to evaluate B.C. applications
May 2017: Participate in CRTC Notice of Consultation 2017-92, in which the CRTC plans to transfer its telephone subsidy to a new broadband fund.

s.13,s.16

Key Decisions in 2017/18

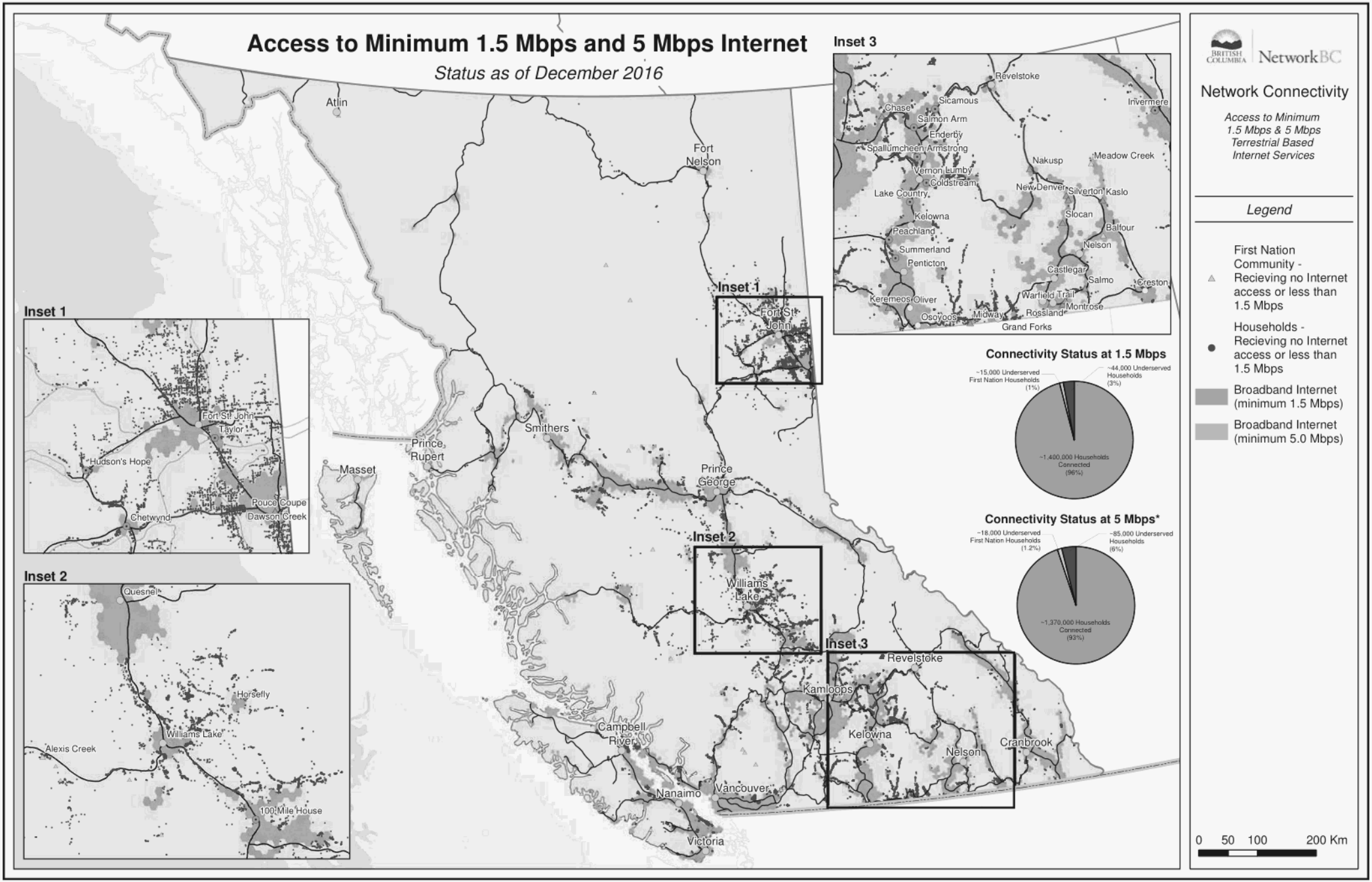
s.12,s.13,s.16,s.17

New Provincial Connectivity Strategy

Jun 2017: New B.C. Connectivity Strategy to reflect new 50Mbps service objective.

BC Broadband Satellite Program

s.13


Access to Minimum 1.5 Mbps and 5 Mbps Internet
Status as of December 2016
Inset 1
Inset 2
Inset 3
Atlin
Fort Nelson
Fort St. John
Taylor
Hudson's Hope
Chetwynd
Pouce Coupe
Dawson Creek
Smithers
Prince Rupert
Masset
Prince George
Williams Lake
Quesnel
Horsefly
Alexis Creek
100 Mile House
Campbell River
Nanaimo
Vancouver
Victoria
Revelstoke
Kamloops
Kelowna
Cranbrook
Nelson
Sicamous
Chase
Salmon Arm
Enderby
Spallumcheen
Armstrong
Vernon
Lumby
Coldstream
Lake Country
Nakusp
Meadow Creek
New Denver
Silverton
Kaslo
Slocan
Balfour
Kelowna
Peachland
Summerland
Penticton
Nelson
Castlegar
Salmo
Creston
Keremeos
Oliver
Osoyoos
Midway
Warfield
Trail
Montrose
Rossland
Grand Forks
Invermere
Connectivity Status at 1.5 Mbps
~15,000 Underserved First Nation Households (1%)
~44,000 Underserved Households (3%)
~1,400,000 Households Connected (96%)
Connectivity Status at 5 Mbps*
~18,000 Underserved First Nation Households (1.2%)
~85,000 Underserved Households (6%)
~1,370,000 Households Connected (93%)
BRITISH COLUMBIA
NetworkBC
Network Connectivity
Access to Minimum 1.5 Mbps & 5 Mbps Terrestrial Based Internet Services
Legend
First Nation Community - Recieving no Internet access or less than 1.5 Mbps
Households - Recieving no Internet access or less than 1.5 Mbps
Broadband Internet (minimum 1.5 Mbps)
Broadband Internet (minimum 5.0 Mbps)
0 50 100 200 Km

TELECOMMUNICATION SERVICES MASTER AGREEMENT, STRATEGIC RELATIONSHIP AGREEMENT, AND CONNECTING BRITISH COLUMBIA AGREEMENT
Office of the Chief Information Officer, Administrator's Office

Lead Executive
Susan Stanford, Executive Lead, Network BC

Background
- In 2008 the Province issued a Negotiated Request for Proposal (NRFP) for a range of telecommunication services. After lengthy negotiations with TELUS under the NRFP the Province determined that a strategic relationship deal with a single telecommunications vendor acting as the primary supplier with a wide scope of services was required.
- In 2011 the Province, along with select broader public sector partners, entered into a strategic relationship with TELUS. Three separate contracts were signed:

Telecommunication Services Master Agreement (TSMA)
- The TSMA provides for the delivery of the Province's core telecommunication services; long distance, conferencing, cellular, voice and data (internet) services.
    - The single largest benefit accruing under the deal is the ability for the partners to aggregate their spend and, in doing so, achieve related savings.
    - Based on the Strategic Partnerships Office's performance management reporting in May 2016, this contract has performed well and met the objectives of the original procurement.
    - The deal contains strong audit rights in place; an audit plan is in place and is being executed.
    - The Province is focussed on maximizing the effectiveness and value of the contract and on-boarding new clients as appropriate.
    - An end of term assessment is underway and will inform how telecom services will be procured after end of term.

Strategic Relationship Agreement (SRA)
- The SRA defines the strategic relationship between the parties and includes a governance structure designed to promote the development and sustainment of a strategic relationship, a Strategic Investment Fund (SIF) for transformative projects and a right of first offer granted to TELUS in respect of identified future services.
    - The value of SIF is based on a percentage of the revenue TELUS earns from telecommunication services provided under the Agreement. SIF is estimated at approximately $100 million over the 10-year term of the agreement.
    - SIF must be spent with TELUS on new services developed for the Province of BC that may become a commercially viable product for TELUS.
    - The first project implemented under the fund is the Home Health Monitoring (HHM) initiative, developed with the Ministry of Health and TELUS.

Connecting British Columbia Agreement (CBCA)

- The CBCA is a non-monetary agreement which defines how the vendor, working with the Province, will increase access to high-speed internet service in rural and remote areas over the 10-year term of the Agreement and improve access to cellular services along segments of major highways over the first five years.
    - Maintain service to 119 designated communities through Internet gateways. Internet gateways or connections are a critical link to the Internet, enabling local Internet service providers (ISPs) to offer consumer services to citizens and businesses
    - Offer affordable wholesale Internet access for regional and local ISPs in designated rural communities, so they can continue to offer local services to rural and remote British Columbians. Discounted pricing models, including new higher speed services at new rates, will continue for qualifying Internet service providers
    - Increase Internet speeds or bandwidth in many areas previously connected. Increased speeds help regional and local service providers to offer quality Internet to businesses, schools and citizens
    - Increase cellular coverage along more than 1,700km of provincial highways by end of December 2016.

Current Context

TSMA

- Operational and cost efficiencies are possible by transitioning to a managed network. This deal enables transition from legacy circuits to a new managed network, and transition to these new circuits is largely complete. This transition, which includes a new network for the school districts, has greatly improved the Province's ability to modernize its delivery of digital services to citizens.
- Significant milestones in the deal include a progressive discount that provides credits when data usage thresholds are met and exceeded, and periodic price reviews and allow for the subsequent re-alignment of pricing. A comprehensive pricing review to align certain voice and data service pricing with market pricing trends has recently concluded, resulting in immediate cost savings and will also provide additional discounts for the remaining term of the deal.
    - Progressive discount savings since deal signing reach in excess of $5M.
    - 2016/17 price reduction savings are in excess of $6.6M.
    - Forecast savings through to end of term from recent negotiations are in excess of $80M.
    - Other cost savings since deal signing exceed $76M.

SRA

- Five projects have been approved for SIF funding and are at various stages of development and/or implementation:
    - **Home Health Monitoring** is an emerging Telehealth technology-based service that provides individuals who have chronic conditions with device kits that enable them to monitor health conditions at home, while staying connected to a care provider. The estimated project cost for the initiative is $51.7M. SIF covers the development and pilot costs whereas the Ministry of Health and Health Authorities are responsible for ongoing

operating costs of the services. To date, over $25 million of the SIF has been spent on Home Health Monitoring.

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

- In December 2016, the **Keeping Young Adults Connected** initiative was approved. This project will provide mobile devices to assist young adults to stay connected and provide independence through employment resources, employers and opportunities needed for a successful transition to adulthood.
- In March of 2017, two other projects were approved: **Mental Health/Substance Use – Virtual Clinic** ($5M) and **Education's WonderLab** ($20M).

CBCA

- TELUS has completed a project to provide more than 1,700 kilometres of additional cellular coverage along unconnected primary and secondary highway segments.
- TELUS is maintaining 119 points-of-presence (facilities that connect to an Internet gateway) within communities throughout the province to ensure local Internet providers have the required capacity at an affordable price. As of February 2017, 58 communities out of 70 have upgrades complete.
- There are two types of pricing with the CBCA that are made available by TELUS to support small ISPs in the 119 communities identified in the Agreement. The Affordable Pricing Model (APM) is available to the small ISP for the first circuit in the community. Additional circuits may be purchased by the small ISP under the Provincial Uniform Pricing (PUP).
- Under the terms of the CBCA, TELUS has committed to not competing with the rural ISPs in the 119 designated communities for three years. A three year extension was granted by TELUS in 2014. Another extension is being considered by TELUS effective July 29, 2017.

Major Activities in 2017/18

TSMA

- The Province has developed an audit plan to exercise its audit rights under the agreement. The plan calls for four specific reviews to take place over the term of the deal. To date a Financial Review (2014) and a Privacy and Security Review (2015) have taken place, with a third audit to validate Price Review methodology currently underway.

SRA

s.13

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

s.13

CBCA

- May 2017: Annually, TELUS will contribute a minimum of $5,000 towards sponsorship of B.C. connectivity conferences.
- July 2017: TELUS to complete the APM and PUP reviews and propose lower pricing (if warranted) in the form of a draft amendment.

s.13

Key Decisions in 2017/18

s.13

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
Ongoing activities:
s.13

Specific deliverables:
s.13

Key Decisions in 2017/18
n/a

Contact: Elizabeth Vickery, Executive Director BC Stats **Phone:** (250) 217-5055
Date: June 8, 2017

CLOUD BC
Office of Chief Information Officer

Lead Executive
Ian Bailey, Assistant Deputy Minster, Acting Government Chief Information Officer (under recruitment)

Background
The BC Council of CIOs (CCIO), which includes representation from the B.C. government, the six health authorities, and seven broader public sector organizations (ICBC, BC Hydro, BC Ferries, BC Lottery Corporation, WorkSafeBC, BC Pension Corporation and TransLink) has launched CloudBC, a collaboration funded and governed by the CCIO to drive successful adoption of cloud-based computing services in the B.C. public sector.

The CCIO serves as a forum to consider strategic opportunities of common interest to the group. It recognizes that cloud computing offers potential benefits at a transformational scale to B.C. public sector organizations and the stakeholders they serve, but also impacts how information technology is delivered and managed.

The participating organizations in CloudBC agree that appropriate use of cloud-based computing services is fundamentally important for delivering leading edge public services. These organizations represent over 50% of public sector employees in BC, while the services that CloudBC offers are made generally available to all public sector bodies in BC.

By working as a collective through CloudBC, the participating organizations derive value from demand aggregation and avoiding duplication of effort. The primary objectives of CloudBC are:

- Avoiding duplication of effort as each of the participating organizations seeks to adopt and procure cloud technology over the coming years. This includes the development of requirements, procurement documents and other materials necessary for the safe and reliable adoption of cloud technology.
- Streamlining procurement efforts and the opportunity to aggregate demand to achieve improved terms and conditions for BC public sector with cloud service providers.
- CloudBC is also uniquely positioned to facilitate the sharing of lessons learned between BC public bodies and with cloud service providers and other industry partners.

CloudBC is based on the efforts and learnings from other jurisdictions that have engaged similar approaches, and draws from industry groups representing best practices such as the Cloud Security Alliance, Open Data Center Alliance, International Organization for Standardization (ISO), Cloud Standards Customers Council, Gartner and Forrester.

A participation agreement was executed on June 10, 2016 by the CCIO entities including the Province, as represented by the Ministry of Technology, Innovation and Citizens' Services, to formally establish

CloudBC. In signing the Participation Agreement, the Province, as represented by the Ministry of Technology, Innovation and Citizens' Services, assumed responsibility as the initially appointed CloudBC Administrator.

Current Context

CloudBC will establish a web-based catalogue referred to as the "CloudBC Marketplace" to present prequalified, eligible cloud service providers that offer services to participating organizations based on pre-negotiated terms and conditions. Through these terms and conditions negotiated by CloudBC, and through due diligence conducted by CloudBC, participating organizations can be confident that the services made available to them in the CloudBC Marketplace meet best practice privacy and security requirements, at the best price.

In late 2016, the Province, on behalf of the participating organizations, issued an invitation to interested cloud service providers of either or both Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) to submit responses to be selected to enter into a CloudBC Framework Agreement with the Province. Successful vendors will be subject to a term initially ending Oct. 31, 2021, to have their offers presented in the Marketplace to facilitate the possible award of contracts for purchases of services by participating organizations. CloudBC is currently in negotiations with initial successful bid proponents.

CloudBC is operating within an approved budget of $1.8 million for 2017/18 fiscal year. Funding is allocated in roughly equivalent parts between the Province, the Health Authorities, and the group of broader public sector organizations.

Major Activities in 2017/18

Ongoing: Conclude negotiations with successful IaaS/PaaS bidders into the CloudBC Marketplace
Jul 17 – Mar 18: Launch CloudBC Knowledge Centre
s.13

Key Decisions in 2017/18

n/a

OCIO STRATEGY
Office of the Chief Information Officer

Lead Executive
Ian Bailey, Assistant Deputy Minster 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

Contact: Niki Sedmak, Executive Director, Strategic Planning and Policy **Phone:** (250) 744-9193
Date: April 18, 2017

s.13,s.17

Key Decisions in 2017/18

s.13

Attachment: OCIO Strategy Year 1 Report Card

Contact: Niki Sedmak, Executive Director, Strategic Planning and Policy **Phone:** (250) 744-9193
Date: April 18, 2017

OCIO STRATEGY
Year 1 Report Card



OCIO | Office of the Chief Information Officer

BRITISH COLUMBIA

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
- Goal 4: Maximize Value

OCIO STRATEGY: YEAR 1 ACHIEVEMENTS

Year1: Nov 206-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

Security **delivered**

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

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

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

BC Services Card Mobile App on **Google Play**

Land Title Survey Authority piloting BC Services Card

Canadian Blood Services using BC Services Card

Workstation **Analytics** Implemented

IT **Value Asset Management** System

Problem & Knowledge Management System

CloudBC website launched

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

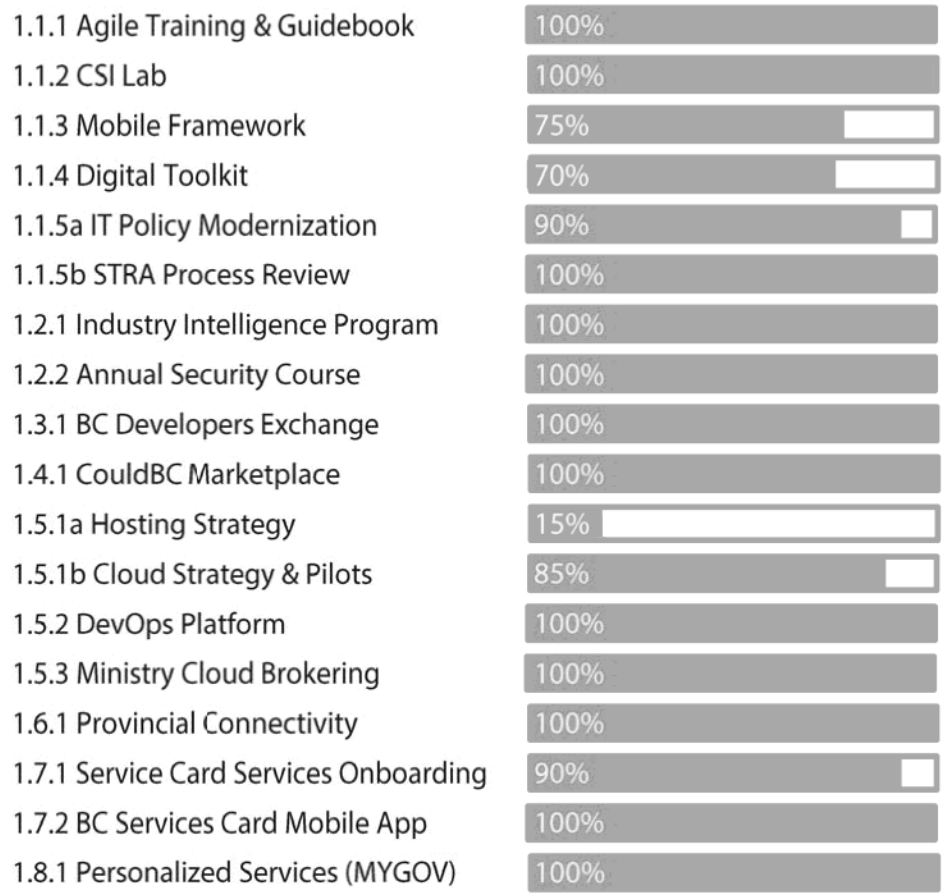
Training **for the future**

- Annual Security Conference
- OCIO Training Plan Draft
- Agile Training Guide
- Annual Security Course Developed
- OCIO Connect

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, 3rd is 90% complete

2 ENGAGED WORKFORCE - % COMPLETE



Notes

2.1.2 Completed, but post March 31st 2017
2.2.3b Completed, but post March 31st 2017
2.3.1 Completed, but post March 31st 2017
2.4.4 Draft complete, validation in progress

OCIO STRATEGIC PORTFOLIO: Reporting on year 1 targets

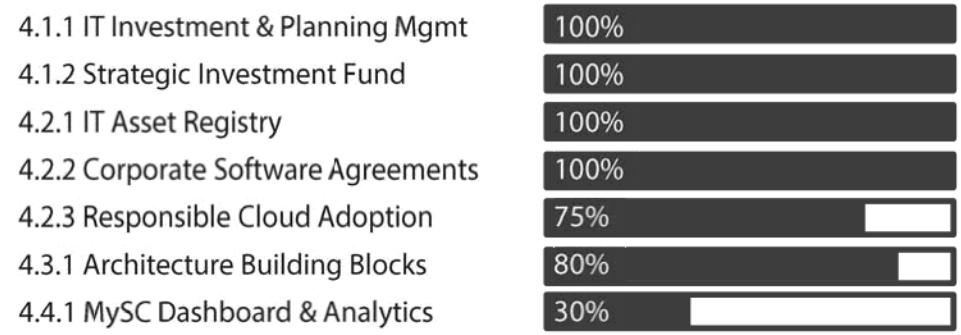
Each commitment listed below consists of one or more projects, and has at least one performance measure. Every year, targets are established to track progress towards the measure(s). The status shown on these pages refers to progress made on the year 1 targets.

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

APPENDIX A: ENABLE DIGITAL - MEASURES AND TARGETS

	Commitment	Measures	Y1 Targets	%	Y2 Targets
1.1.1	Making it easier for government projects to use agile approaches and acquire modern tools	~~• agile guide developed~~ • # of teams, executives, staff trained	• agile training course developed • agile guide developed	100%	• Deliver training to 5 Ministry teams • Deliver executive leadership training to 20 executives
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	• # of projects	• CSI Program Alpha Design • CSI Lab 5 early adopter projects	100%	• Pilot CSI lab for 9 candidate Ministry projects
1.1.3	Develop policies, standards, and security and authentication guidelines to facilitate the development of government mobile apps and services	• mobile framework use	• Publish Mobility strategy • Engagement with key stakeholders	75%	• Launch and communicate Mobile Strategy • Establish mobility framework • Prototype an application based on the framework
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	• user satisfaction	• Alpha of toolkit developed • User testing	70%	• Publish toolkit • Survey user satisfaction
1.1.5a	Modernizing and simplifying key IT policies and standards	• user satisfaction	• Key stakeholders engaged on Chapter 12 redesign • Policy advisory program implemented	90%	s.12
1.1.5b	Modernizing and simplifying key IT policies and standards	• user satisfaction	• Security Policy 3.0 (Modernize the Policy) • STRA process review	100%	• Publish Security Policy 4.0 (Cloud, Mobile, etc) • Implement the STRA process review findings
1.2.1	Raising awareness of the latest IT trends, technologies and security vulnerabilities	• program use • # decisions informed by the program	• Launch Program • Pilot Executive Programs	100%	• 20 custom research reports • 4 events for program awareness • Baseline the impact of intelligence on decision making
1.2.2	Expanding the security awareness program through an annual government security course	• % of staff completing the course	• annual govt security course developed	100%	• Course launched, piloting with 1 Ministry staff • Communication of mandatory requirements to the pilot staff • Course update
1.3.1	Creating more opportunities for smaller businesses and entrepreneurs to contribute along side incumbent vendors and partners	• # of payments made through developers exchange	• new procurement and payment options	100%	• Enable self-service for Broader Public Sector developers • "Sprint with Us" – design model for Ministries to obtain agile team resources • Pilot one "Sprint with Us" project
1.4.1	Co-developing CloudBC, an online marketplace for cloud services	• # of vendors onboarded to CloudBC • # entities consuming services through CloudBC	• Develop and Launch the CloudBC website • Develop the online marketplace	100%	• 3 vendors onboarded to CloudBC • 2 entities consuming CloudBC services
1.5.1a	Launching a hosting strategy, and delivering on the OCIO's implementation (IaaS & PaaS) plan for cloud adoption	~~• % increase of hosting services transitioned to the cloud~~ • Endorsement of strategy by key stakeholders	• Hosting Strategy Developed and communicated	15%	• Hosting Strategy Developed and communicated • Engagement of strategy by at least 3 OCIO SDUs and 3 Ministries
1.5.1b	Launching a hosting strategy, and delivering on the OCIO's implementation (IaaS & PaaS) plan for cloud adoption	~~• % increase of hosting services transitioned to the cloud~~ • # of cloud platforms available for enterprise use • % ministries using enterprise-ready cloud platforms	• Cloud Strategy Developed and communicated	85%	• Launch and communicate Cloud Strategy • Development of the SaaS strategy
1.5.2	Establishing a 'DevOps' environment to speed up the provisioning and delivery of systems and software	• # of projects and systems	• DevOps environment production ready • Five DevOps early adopter projects	100%	• DevOps expanded across multiple cloud service providers • DevOps in compliance with critical systems standard • DevOps version 2, for scalability and improved systems management • 5 DevOps projects
1.5.3	Offering the services and expertise for ministries to more easily adopt cloud offerings	• # cloud services available to ministries • # cloud related educational sessions	• Ministry engagement to identify opportunities for cloud-based digital service delivery	100%	• Establish baseline # of cloud services successfully implemented • 3 cloud-related education sessions
1.6.1	Working with private sector, First Nations organizations and all levels of government	• all households in B.C. are within high speed coverage	• Provincial Connectivity access at 96%	100%	• Provincial Connectivity access at 97%
1.7.1	Onboarding more government services to use the BC Services Card for authentication	• # of government services onboarded • # of ministry programs using identity data • citizen ~~use~~ adoption	• Onboard 3 new services to the BC Services Card Identity and Authentication service	90%	• Onboard 3 services to the BC Services Card Identity and Authentication service • Onboard 1 program area using identity data • Usability testing of the card with 50 citizens
1.7.2	Developing a mobile app that increases the convenience of the BC Services Card	• App use • Reduced card reader issuance	• BC Services Card app available in Android playstore	100%	• IOS app is available on the Apple App Store
1.8.1	Co-developing the new personalized digital services strategy	• # government services ready for MyGov	• Support the onboarding of two government services to MyGov, using Code for gov't Ready Products (Beta)	100%	• Support the onboarding of two government services to MyGov, using Code for Govt Ready Products (release 2)

- ***Note:*** *~~strikethrough of text~~ indicates that the original measure was replaced for Y2*

APPENDIX A : ENGAGED WORKFORCE - MEASURES AND TARGETS

	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.	• ~~# of IT recruits~~ • ~~# of FTEs created by capital projects~~ • ~~% Increase in IT related Co-op hires~~ • # pooled hirings for IT classifications • # of cross-government corporate IT skills training sessions • % competitions using newly defined IT competencies	• Obtain approval to capitalize FTEs • Increase number of co-ops • Support PSA's Corporate Succession Management IT Stream	100%	• Pilot at least 1 pooled hiring for one IT classification across government • Offer 3 cross-government corporate training sessions for IT skills • Redefine competencies for the MCIO roles & apply to at least one Ministry CIO position.
2.1.2	Identify opportunities for OCIO staff to work on government projects that build and develop IT skills, capabilities and experience.	• ~~# %~~ OCIO staff on cross-govt projects	• Set baseline - All SSMT to report on # of staff they have on cross-govt projects	80%	• Baseline + 5% of staff on cross-govt projects
2.1.3	Support OCIO staff to achieve development objectives through temporary assignments.	• ~~# %~~ of staff on relevant temporary assignments	• Establish a baseline	100%	• 15% of staff on temporary assignments
2.2.1	Identify critical positions within the OCIO at all levels, and developing a plan to ensure the continuity of skills and knowledge.	• % critical positions filled within 30 days	• Succession management plan for critical positions in place	100%	• 90%+ critical positions filled within 30 days
2.2.2	Identifying opportunities for the OCIO's emerging leaders through the Leadership Development Review Process.	• ~~# %~~ placements	• % OCIO Staff completing the business leadership development review process	100%	• 20% of reviewees identified as ready given leadership opportunities
2.2.3a	Create more opportunities for OCIO staff to network with industry peers, increase exposure to technology trends, and acquire new skills.	• # staff attending key events • ~~% increase in new communications~~ • Attendee satisfaction	• 550 attendees • 85% attendee satisfaction	100%	• 650 attendees • 90% attendee satisfaction
2.2.3b	Create more opportunities for OCIO staff to network with industry peers, increase exposure to technology trends, and acquire new skills.	• ~~# staff attending key events~~ • ~~» % increase in new communications~~ • Client satisfaction	• Communications framework developed • Streamlined service bulletin process	90%	• Baseline client satisfaction with the framework • Implement a communications calendar
2.3.1	Allocate resources and funding for innovative OCIO projects.	• % of IT budget allocated	• 5% of OCIO budget allocated to projects that are modernizing & innovating IT service delivery for government.	90%	• 5.5% ($8M) or amount required to fund approved projects
2.4.1	Offer government staff a better choice of the devices they need to do their job, while protecting sensitive information.	• employee satisfaction • ~~% increase of mobile devices enrolled~~ • Increased choice of devices	• MDM Service Implemented • Increase of # of devices enrolled	100%	• Workforce mobility roadmap developed with Ministry engagement • Establish an employee satisfaction baseline with MDM Service • Implement work/personal segregation capability on mobile devices.
2.4.2	explore cloud-based, productivity software for all government staff	• ~~analysis complete~~ • Adoption of next generation office services	• Analysis completed on up to three cloud-based productivity tools	100%	• Privacy compliance • Business case and mandate for deployment across government
2.4.3	Make more collaboration tools, like video conferencing, voice over IP, team project management available to government staff	• employee satisfaction • % legacy voice lines transitioned	• 5,000 users/lines migrated to UC	100%	• Migration of 8000 users/lines from legacy voice systems to unified communications and/or cellular options • Complete cross-ministry survey
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.	• ~~documented plan developed~~ • # training sessions and/or education activities	• Training plan developed	90%	• Communicate training plan • 10 education activities

- ***Note:*** *~~strikethrough of text~~ indicates that the original measure was replaced for Y2*

APPENDIX A: OPERATIONAL EXCELLENCE - MEASURES AND TARGETS

	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.	• ~~# branches using ITSM tools~~ • improved access to information • user satisfaction	• Implement problem mgmt. • Implement knowledge mgmt. • Implement IT Service Mgt Forum	85%	• Re-implement problem management • Re-implement knowledge management • Re-implement incident management • Re-implement configuration management
3.1.2	Use modern analytics to predict which workstations and laptop devices may be having performance issues and security vulnerabilities.	• % increase in proactive problem resolution • ~~% #~~ of vulnerabilities ~~remediated~~ identified through analytics	• Software implemented • Data collected & initiation of analytics services	100%	• Implement proactive problem prevention based on analytics & reporting • Baseline & report on the number of vulnerabilities identified through analytics software
3.2.1	Launch a Government Security Operations Centre (SOC) to pro-actively monitor for advanced digital threats.	• % availability of security infrastructure • % success in responding to cybersecurity threats	• Launch of Security Operations Centre	100%	• Availability of security infrastructure: 99.5%
3.2.2	Implementing solutions that augment protection against security threats to network, data and endpoints.	• # enrolled in Digital Certificate Service • # of security solutions implemented to mitigate risk • ~~% of ministries implementing data security classification~~	• Digital Certificate Service launch • Secure Internet Service launch • Vulnerability Mgt Program launch	100%	• Digital certificate launch to 8000 users • Implement border hardening • Implement Network Visibility (Deep packet inspection) • Implement multi-factor authentication • Establish defensible security for public sector organizations program
3.2.3	Implementing solutions that augment protection against security threats to network, data and endpoints.	• % government mobile devices enrolled	• MDM Service Implemented • Increase of # of devices enrolled	100%	• Moving forward, report for this commitment will be captured in 2.4.1
3.3.1	Ensure compliance of the OCIO's mission and business critical systems with the critical systems standard, and supporting compliance government-wide.	• compliance to standard	• Publish Critical Systems Standard V2	60%	• Baseline compliance to standard • Increase awareness among business owners on risk of non-compliance
3.3.2	Continue to implement the next generation "Converged Edge" network to improve performance, security and interoperability.	• 100% completion	• Converged Edge (CE) network 70%	100%	• 100% of government offices transitioned to CE network.
3.4.1	Implement a portfolio management practice.	• # strategic projects with successful outcomes	• Strategic Portfolio management practice established	100%	• Innovation funding identified and tracked • OCIO Strategy program adjustments • Project Management Framework Developed

- ***Note:*** *~~strikethrough of text~~ indicates that the original measure was replaced for Y2*

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	~~• % envelope allocated~~ • % of Ministry concept cases and business cases processed using the Value Framework	• C55 Value framework developed • Prioritization with Government Wide Consultation	100%	• Use framework to evaluate 90% + of incoming concept and business cases
4.1.2	Establish processes to ensure Strategic Investment Fund (SIF) projects align with government priorities.	~~• # new services~~ • # SIF projects implemented	• Processes established to identify priority SIF projects • SIF Projects identified	100%	• 2 new projects implemented
4.2.1	Implement corporate IT asset and investment management software with supporting processes.	• # assets linked to investments ~~• ratio of assets retired to new assets~~ • % of complete data within the asset registry • % of critical systems in the asset registry	• New Asset Management system developed to replace manual Application Health Check	100%	• Baseline # assets linked to investments • Baseline percentage of complete data within the system • 95% of critical systems in the asset registry system
4.2.2	Review corporate software agreements to reduce costs, improve services and optimize value	~~• # material changes driving value for money~~ • # contracts modernized for government	• CSA inventory review and analysis • Development of 18 month business plan for corporate software	100%	• 2 large-sized enterprise government contracts modernized.
4.2.3	Encourage and guiding the responsible use of cloud services	~~• suitable IT services using cloud~~ • User satisfaction with resources available to support cloud adoption	• Cloud suitability incorporated into IM/IT procurement and IM/IT capital business cases	75%	• Creation of a playbook for cloud adoption and publish for Ministry use • Baseline user satisfaction
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").	• Use of registry for common services ~~• Services registry created~~	• Ministry engagement to prioritize for common reusable services • prototype one service • EBA 2.0 draft & identify common services	80%	• Development of an API registry • Creation of a registry of corporate services
4.4.1	Gather data about OCIO services for analytics use by modernizing and automating business processes.	• # clients and OCIO staff trained on use of dashboard and analytics ~~• Reports used for decisions~~	• MySC dashboard • MySC analytics capabilities	30%	• Re-implement dashboard

- ***Note:*** *~~strikethrough of text~~ indicates that the original measure was replaced for Y2*

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

Contact: Gary Perkins, Executive Director, Information Security Branch **Phone:** (250) 387-7590
Date: April 19, 2017

s.13,s.17

Key Decisions in 2017/18

s.12

WORKPLACE TECHNOLOGY SUPPORT PROCUREMENT
Technology Solutions

Lead Executive
Ian Donaldson, Acting Assistant Deputy Minister

Background
In December 2004, the Province entered into a 10-year agreement with IBM Canada Ltd (IBM) to manage core government workstations. On December 31, 2010, Health Shared Services BC (HSSBC) (now BC Clinical and Support Services), acting as agent for the six Health Authorities (HAs), entered into a Tri-Partite Agreement with IBM and the Province for the Workstation Support Services (WSS), on-boarding to the existing Master Services Agreement. A two-year renewal term to extend the agreement until March 31, 2017 was exercised at that time and a further one year extension has been exercised for the purposes of procurement. The new contract expiry date is March 31, 2018 with an estimated spend of $470 million.

The Province and the HAs utilize workstation devices for different purposes. The HAs require devices that meet the complex clinical and specialized needs of healthcare. The Province devices are used to support government business for office and mobile workers. Due to these differences, Treasury Board approved proceeding with separate procurements by each of the Province and HAs. MTIC's is leading the Province's procurement and Ministry of Health is leading the HAs procurement.

s.12,s.13

Current Context
The existing contract provides workstation services and the support for those services, to employees of the Province and BC Health Authorities (HAs). The Province is satisfied that it met many of the original objectives for the contract and has achieved standardization resulting in cost avoidance.

Moving forward, transforming services and encouraging innovation continue to be key enablers in supporting the Province's strategic direction and also aligns with current client ministries' needs and expectations. The Province is focusing on ensuring the delivery of efficient and effective services to clients through automated and streamlined processes, self-service options, device choice and cloud based services.

The Province issued the Negotiated Request For Proposal (NRFP) on March 16, 2017 with initial proposals required by June 1, 2017. The Province is evaluating the proposal submitted. Major milestones are listed below.

Major Activities in 2017/18

- **June 2017 to July 2017** - Shortlist to up to three proponents to enter into refinement process

s.13,s.17

Key Decisions in 2017/18

s.13,s.17

LEADING WORKPLACE STRATEGIES
Real Property Division

Lead Executive
Lorne DeLarge, Acting Assistant Deputy Minister

Background
Leading Workplace Strategies (LWS) is a cross-government project led by the Ministry of Technology, Innovation and Citizens' Services as endorsed by the Deputy Ministers' Committee on Technology and Transformation in July 2011.

LWS refers to government's coordinated corporate approach to support and promote mobile and flexible work styles by integrating technology, culture and space in innovative ways. It includes mobility based options such as free-address (shared) work space, collaboration spaces, and telework as part of the suite of options.

Current Context
Leading workplace projects have now been completed for eleven different ministries or organizations across the province: BC Public Service Agency and the Office of Housing and Construction Standards, and the ministries of Technology, Innovation and Citizens' Services, Education, Transportation and Infrastructure, and Forests, Lands and Natural Resource Operations, International Trade, Finance, Social Development, Children and Family Development and Social Innovation and Government Communications and Public Engagement.

- 23 leading workplace projects have been completed across government in 17 different buildings
- Over 33,000 m2 of office space has been upgraded while reducing our portfolio by over 25,000 m2
- Over $8.3 million annual building occupancy costs (BOC) savings last year with a total of over $20.4 million savings to date
- 4,998 tonnes of greenhouse gas emissions reduced each year, with over 12,093 tonnes of greenhouse gas emissions reduced to date. This is the equivalent of having 2,312 fewer cars on the road.
- 2,572 employees are working in a leading workplace, of which 41 percent of employees are working in a mobile workstyle using IT, wireless and remote access services.
- 8 more leading workplace projects are currently underway throughout BC.

Three LWS projects have been completed during the fiscal year 2016/17 including projects for the Ministry of Finance at 900 Howe in Vancouver, Ministry of Social Development and Social Innovation at 1050 West Pender in Vancouver and Government Communications and Public Engagement at 617 Government Street in Victoria. Work is also progressing on the Capital Park project that will see a significant redevelopment of the South Block site behind the Legislative Building in Victoria. The first

of two buildings will be completed in fall of 2017. The ministries of Environment and Children and Family Development will co-locate over 700 staff within the building implementing LWS across all floors.

Major Activities in 2017/18

Capital Park Building 1 – MCFD | ENV – Completes September 2017
800 Johnson – JTST | CSCD | MIT – Completes April 2019
620 Superior – EDUC – Completes September 2018
1340 Ellis St., Kelowna – MCFD – Completes February 2018
Tribunal Transformation Initiative, Vancouver – MOJ – Completes November 2018
s.13

Key Decisions in 2017/18

None

FACILITY MANAGEMENT PROCUREMENT PROJECT
Real Property Division

Lead Executive
Sarf Ahmed, Associate Deputy Minister

Background
Real Property Division (RPD) has managed an outsourced contract with Workplace Solutions Inc. (WSI) since 2004, successfully providing facility management (including repairs, maintenance, landscaping, cleaning, and operations centre) and construction project services to over 1,800 owned and leased government properties. The WSI agreement has exhausted its contract extension options and expires March 31, 2019, resulting in the requirement for a new procurement.

The drivers for outsourcing included economies of scale, cost savings, innovation, flexibility, and consistent service delivery. Within this context, RPD continued to provide core functions including policy, direction, oversight, contract governance and funding. The expenditure under this current contract is approximately $2.2 billion over its 15-year term.

Outsourcing has enhanced the maturity of property and project management services by stabilizing service levels, and streamlining and standardizing business processes. Through WSI, RPD has been able to deliver multiple streams of project work averaging $60 million per year.
WSI has also been a key partner in developing strategies for high visibility buildings, and implementing an environmental management system to ensure compliance with all applicable federal, provincial and municipal laws and regulations.

WSI has promoted hiring local BC companies to assist their core staff in providing facility management services. WSI utilizes a tendering system to identify opportunities suited for small business and has contracted with over 900 BC companies to support service delivery.

In June 2015 the Province and BCGEU entered into a Letter of Understanding whereby the Province will continue to require the successful proponent to accept the existing collective bargaining obligations and collective agreement with the BCGEU in carrying out the work under the new contract.

Current Context
- The current contract has been successful and RPD will use a similar approach (services and economic model) to procure the new contract.

- The intent with this procurement is to take advantage of business enhancements that have become standard in the industry since the last contract was created (13 years ago).
- Regardless of the successful proponent (WSI or a competitor), there will be improvements made to business processes and how RPD delivers services to clients.

s.17

- Requirements for the NRFP were developed with input from provincial and industry experts and stakeholders at all levels, including ministry facility management units and client working groups.
- Strategic Partnerships Office, Procurement Services Branch, and Legal Services Branch will together, along with RPD and an industry advisor, produce the procurement documents and conduct the process.
- The procurement project governance includes client representation at operational and senior levels, including the Executive Steering Committee.
- In addition, a Fairness Monitor has been engaged throughout the process to provide independent advice and attestation to the fairness of the procurement.

s.12,s.13,s.17

Major Activities in 2017/18

- In March 2017 the Request for Qualifications was issued to the market.
- In July 2017 the NRFP is scheduled to be issued to top-ranked successful respondents to the Request for Qualifications.

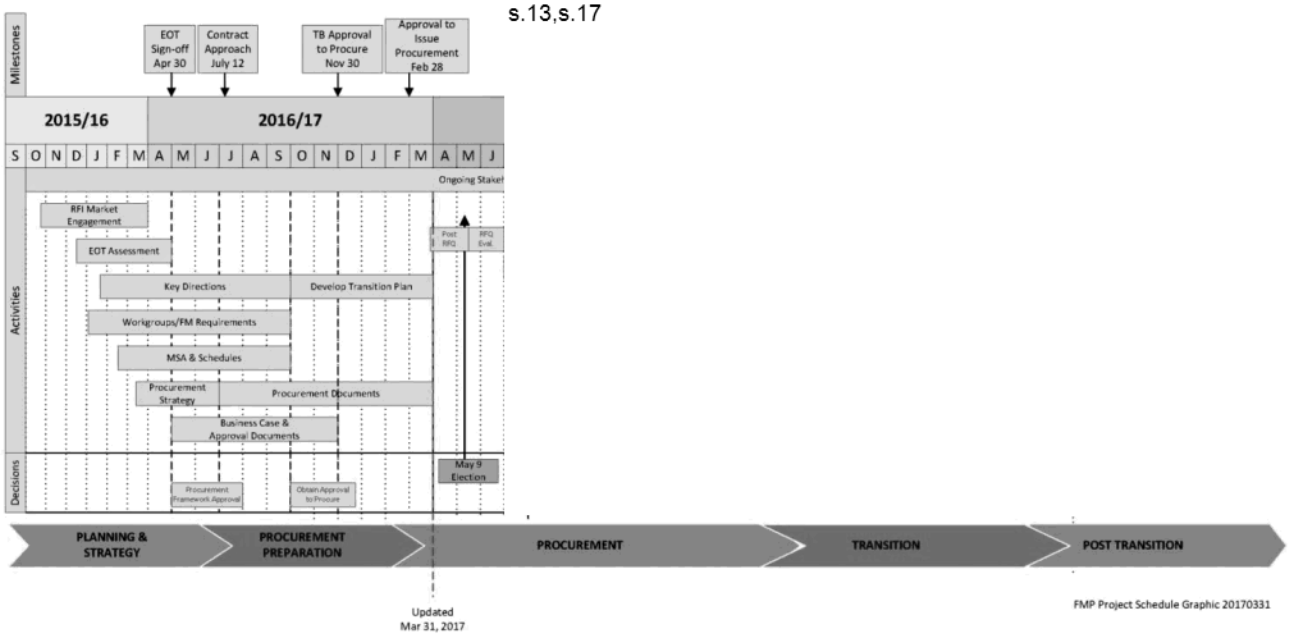
s.13,s.17

Key Decisions in 2017/18

s.13

FMP Project Schedule, Milestones and Activities

s.13,s.17



ABBOTSFORD LAW COURTS – PROJECT DEVELOPMENT
Real Property Division

Lead Executive
Lorne DeLarge, Acting Assistant Deputy Minister

Background
The Province is building a new courthouse within the Abbotsford City Centre Civic Precinct on land leased to the Province by the City. This project responds to priorities outlined in the Lower Fraser Valley Court Strategy previously developed by the Ministry of Justice.

Options to address the growing demand for court space were considered in a Business Case submitted to Treasury Board (TB) in December 2016, and approved in January 2017. The $157.2 million project will be procured as Design Build Finance Maintain, or a Public Private Partnership (P3), with the procurement process managed by Partnerships BC. Construction is planned to occur from 2018 through to 2020, with operations to begin in the fall of 2021.

The 14-room courthouse project will include three Supreme Court courtrooms, eight provincial court courtrooms and three judicial conference rooms. The facility incorporated justice programs such as Crown counsel, community corrections, and a Justice Access Centre for family court matters, as well as a parkade necessary to comply with City of Abbotsford municipal by-laws.

Project Governance is in place with the establishment of a Project Executive Board (PEB) as required by Treasury Board. The PEB is chaired by the Deputy Attorney General with members from MTICS, Ministry of Justice, Deputy Solicitor General and Partnerships BC. A member of the Treasury Board Staff is a non-voting member. A Chief Project Officer has been appointed to lead the project. All decisions to ensure project remains within budget, scope and on schedule are made by the PEB unless specific direction of Treasury Board is required.

Current Context
In compliance with the procurement processes set out for such large projects, a Request for Qualification (RFQ) was posted publicly and closed on May 4, 2017 and resulted in six qualified respondents submitting their responses. Evaluation of the responses will be performed by teams from Real Property Division (RPD), Ministry of Justice, and Partnerships BC, supported by advisors, ensuring process transparency and fairness.

The Project will proceed to the next phase in the procurement process, the Request for Proposals, inviting only three successful respondents selected following the RFQ process. Only one of the three shortlisted respondents will be selected at the end of this phase. At that time, the Province intends to sign a contractual agreement with the selected respondent, representing a consortium that will design, build, finance and maintain the facility over a period of 30 years. It is estimated that the Project will create over 1,000 jobs during the course of construction.

Major Activities in 2017/18

s.17

Key Decisions in 2017/18

s.13

SURREY COURTHOUSE RENOVATION AND EXPANSION PROJECT
Real Property Division

Lead Executive
Lorne DeLarge, Acting Assistant Deputy Minister

Background
In May 2014 Treasury Board approved the renovation and expansion of the existing courthouse in Surrey, to accommodate three new courtrooms, two hearing rooms, associated administrative and supporting spaces and additional changes to the existing facility. The renovation and expansion project was approved in the Budget 2012. Total project cost: $33.537 million.

The project was to be built based on a stipulated sum contract, where the Province, represented by RPD, manages directly the construction company that won the contract. The risks associated with constructing the project are addressed primarily through contingency allowances, included in the approved project costs.

In September 2014 design consultants were hired and developed schematic and development design which was completed in May 2015, with construction drawings and specifications completed by December 2015.

In June 2016 the project tendering process was complete, with the contract awarded to Yellowbridge Contracting. Construction started immediately, with completion scheduled for winter of 2018.

Some project components are scheduled for completion earlier than others, for example, the audio visual and IT systems implementation are to be completed in March 2018.

Commissioning the facility and testing is scheduled for April and May 2018; while facility occupancy is scheduled for late spring 2018.

Current Context:
The facility renovation work is conducted over seven phases, to allow for the courthouse to continue operations, and to ensure planned linkages between the renovated elements of the existing facility and the expansion project. First two phases of the project are complete. The project is currently on schedule and on budget and it is anticipated that it will continue according to the project plan.

Major Activities in 2017/18
- Construction continues towards completion in winter 2018.

Key Decisions in 2017/18
- None

Contact: Scarlette Verjinschi, Executive Director **Phone:** (250) 387-6055
Date: May 29, 2017

VALLEYVIEW PROJECT
RELOCATION OF THE MAPLES AND PROVINCIAL ASSESSMENT CENTRE PROGRAMS
Real Property Division

Lead Executive
Lorne DeLarge, Acting Assistant Deputy Minister

Background
On January 19, 2017, Treasury Board approved MTICS' request to award the design and construction contract of the facility known as the Valleyview Project, on the Riverview Lands (Lands) to PCL Constructors Westcoast Inc. BC Housing (BCH), owner of the Riverview Lands, is leading the redevelopment of the Lands. BCH has initiated community engagement, including the Kwikwetlem First Nation (kFN), to ensure that the Riverview Lands address neighbourhood as well as kFN requirements.

The Valleyview Project is an important part of the Province's broader mental health strategy. The facility will house the Maples Adolescent Treatment Centre that is mandated to provide outreach services to support youth, families and communities; provides services for troubled 12 to17 year-old youth with significant psychiatric and behavioural conditions. The program is under the jurisdiction of the Ministry of Children and Family Development (MCFD).

Additionally, the facility will house the Provincial Assessment Centre (PAC) program that is mandated to provide mental health services for individuals aged 14 years or older, with a developmental disability and a concurrent mental illness or a behaviour issue. PAC is a part of Community Living British Columbia (CLBC) which is an agency of the Ministry of Social Development and Social Innovation.

Current Context
The selected procurement method for constructing the facility is design-build which combines the design and the construction into one continuous process within one overall contract.

The Project has an established Project Board, with representation from MTICS (Chair) as well as the following organizations:

- Ministry of Children and Family Development;
- BC Housing;
- Community Living BC; and
- Partnerships BC.

In March 2017 PCL Constructors applied to the City of Coquitlam for a Design Variance Permit, as well as for a construction permit.

Contact: Scarlette Verjinschi, Executive Director **Phone:** (250) 387-6055
Date: May 29, 2017

Various permits are required from the City and are being obtained based on project timelines. The foundation permit has been obtained and construction on the foundation has commenced. BCH is establishing onsite infrastructure improvements that are needed to support this project.

The Ministry has entered into an agreement with BC Housing for the land lease for a 50 year term, extendable for two additional 10 years terms.

The Provincial Health Services Authority is constructing a Centre for Mental Health and Addictions on the Riverview Lands, on a portion of the land adjacent to the Valleyview site. BCH is playing a coordinating role for the two provincial buildings to be erected on the site, to ensure that all development activities meet the requirements of the Riverview Re-Development initiative.

Major Activities in 2017/18

s.13,s.17

Key Decisions in 2017/18

- N/A

NANAIMO CORRECTIONAL FACILITY PROJECT DEVELOPMENT
Real Property Division

Lead Executive
Lorne DeLarge, Acting Assistant Deputy Minister, Real Property Division

Background
The Nanaimo Correctional Centre (NCC) is a key component of the BC Corrections Branch's provincial operation; it is the only medium security provincial correctional facility on Vancouver Island; it houses unique and critical inmate programs with demonstrated success.

The provincial inmate population is projected to continue to increase at a rate consistent with the province's general population growth, and the current capacity provided by the NCC is required to meet the growth with focus on Vancouver Island.

s.13

s.12,s.13

Current Context
s.12,s.13

The work is being overseen by Corrections Project Executive Board chaired by Deputy Solicitor General with representatives from MTICS, Ministry of Justice and Partnerships BC.

Major Activities in 2017/18
s.13

Key Decisions in 2017/18
s.12,s.13

Contact: Scarlette Verjinschi, Executive Director **Phone:** (250) 387-6055
Date: May 29, 2017

ENERGY RETROFITS OF GOVERNMENT BUILDINGS
Real Property Division

Lead Executive
Lorne DeLarge, Acting Assistant Deputy Minister

Background
Building retrofits that achieve energy efficiency gains are integral to the Routine Capital program delivered by the Real Property Division. Energy retrofits, coupled with continual optimization of building operations and space planning has contributed to a steady reduction in building energy intensity and a 15 percent reduction in greenhouse gas emissions since 2010. Energy use/greenhouse gas emissions is considered a significant environment aspect of RPD's operations, and managed under an ISO 14001 registered Environmental Management System that demands continual and demonstrable improvement in performance.

Current Context
Under the established investment strategy, priority is given to infrastructure investments that meet a range of government imperatives (e.g. health and life safety, client programming, building integrity) and that may result in a reduction of energy use and associated greenhouse gas emissions.

Over the past three years (F2014/15-F2016/17), approximately $12 million was invested in 90 projects that contributed to energy efficiency. Those projects range from upgrades to heating, ventilation and air conditioning systems ($5 million); lighting and automated building controls ($2 million) and building envelope (e.g. windows and roof) ($5.2 million).

Other investment activities include the development of the Okanagan Correction Centre, built to LEED Gold standard and incorporating highly efficient geo-thermal energy technology; linking one of Real Property Division's facilities in the City of Prince George to their District Energy System fueled by biomass, and rolling out a building commissioning program in 40 buildings at a cost of $800,000 to enhance the performance of existing building systems. Additionally, under a contract with our facility management service provider, a dedicated Direct Digital Controls Unit has generated approximately 21,800 gigajoules of estimated energy savings in over one hundred buildings since 2014, resulting in $340,000 of estimated annual costs savings.

Since 2011, government's Leading Workplace Strategies for mobile work has resulted in the consolidation of ministry program space, thereby decreasing the overall building footprint of government operations. At the end of calendar year 2016, this work had accumulated an estimated 11,755 tonnes CO2e reduction since 2011, which is a reduction of 3,846 tonnes CO2e in 2016 alone, almost three times the reduction achieved in 2015.

Contact: Jon Burbee, Executive Director **Phone:** (250) 213-7439
Date: May 8, 2017

Major Activities in 2017/18

s.13

Key Decisions in 2017/18

s.13,s.17

GOVERNMENT BUILDINGS SEISMIC UPGRADES
Real Property Division

Lead Executive
Lorne DeLarge, Acting Assistant Deputy Minister

Background
Ensuring that government infrastructure assets continue to function in the event of a major earthquake is critical. Questions occasionally arise from media as to the seismic readiness of government's assets.

Real Property Division (RPD) has a Facility Condition Assessment program that identifies high-level seismic risks to buildings in the seismic zone (generally described as the Lower Mainland, Vancouver Island, and Haida Gwaii). A total of 209 buildings fall in the seismic zone out of 369 major buildings covered in the program. Of the 209 buildings in the seismic zone, 91 have been built since elevated seismic building code standards were introduced in 1992. This tally does not include leased buildings.

The ministry uses its routine capital budget ($65 million in FY18/19) to maintain condition and functionality of the portfolio of assets. Seismic upgrades are considered in the course of these renewal projects where required to meet current codes or where opportunities present themselves.

Current Context
Currently, seismic risks are considered in conjunction with other priorities such as accessibility, energy reductions and facility condition. In addition to physical seismic upgrades, RPD mitigates risk to building occupants by heavily investing time and effort towards effective response measures and supporting the efforts of client ministry business continuity plans.

A project has been initiated under the leadership of the Ministry of Transportation and Infrastructure (MOTI) called the "Earthquake Integrated Asset Management Program" to review how capital ministries direct investments into their assets to improve seismic resiliency while maintaining their obligations to achieve other objectives.

Major Activities in 2017/18
- July 2017—Earthquake Integrated Asset Management Program Report Released.

s.13

Key Decisions in 2017/18
s.13

Contact: Jon Burbee, Executive Director Asset Management **Phone:** (250) 213-7439
Date: May 29, 2017

SUPPLY SERVICES
Technology, Innovation, Procurement and Supply

Lead Executive
David Morel, Assistant Deputy Minister

Background
Supply Services consists of five full cost recovery business units. These units serve the provincial government as well as the broader public sector and citizens. We provide products and services that while meeting government standards for procurement, privacy, and security. We are seen as trusted partners by the ministries and other government sectors we serve.

Current Context
Asset Investment Recovery and Distribution Centre Victoria
AIR re-distributes or sells surplus government and public sector assets. Assets determined to have no fair market value, are disposed of in an environmentally-friendly manner.
DCV provides managed inventory services including the supply, sale, and distribution of publications, forms, and government specific computer peripherals.

BC Mail Plus
BC Mail Plus provides secure mail processing and distribution services to ministries and publicly funded agencies. BC Mail Plus provides mail preparation, processing, quality assurance and delivery services as well as variable printing and scanning services, and assists with student assessment programs. In partnership with IBM, BC Mail Plus produces all BC Drivers' Licenses and BC Services Cards. BC Mail Plus also manages provincial and broader public sector employer-paid household relocations.

Queen's Printer Brokerage and Publishing Services
Provides corporate expertise for the procurement of print and graphic related items.
Provides the public with access to legislation online via BC Laws and all government publications.
Publishes, sells, and distributes publications on behalf of organizations. Offers a full range of electronic publishing services including xml document authoring, conversion, and content management systems.

Product Distribution Centre
Is a full-service inventory management and Health Canada licensed distribution operation, procuring and supplying pharmaceuticals; medical products; emergency, health and safety supplies; protective and safety clothing; fire, police and ambulance equipment; janitorial supplies; electrical products, and staff uniforms.

By the numbers
Fiscal 16 - 17

	BCMP	AIR	DCV	PDC	QP	Total
Positions	108	46	16	94	52	316
Recoveries M	$40.9	$12.7	$3.0	$45.6	$16.3	$118.5

Major Activities in 2017/18
s.13

Key Decisions in 2017/18
None

MINISTRY ROLE DURING GOVERNMENT REORGANIZATION
Corporate Services Division

Lead Executive
Colin McEwan, Assistant Deputy Minister

Issue
Historically there have been medium to large government reorganizations before and/or after an election. It is anticipated that some government reorganization will occur following the 2017 election.

Background
In 2013, the Ministry of Technology, Innovation and Citizens' Services (MTICS) initiated and led the cross government reorganization program, at that time, MTICS was responsible for Corporate Accounting, IT, Facilities, Human Resources Management System, Government Communications and Public Engagement and Records Management.

Over the past several years MTIC responsibilities have changed, with the ministry now responsible for only two of these six key areas, the ministry is no longer responsible for leading the cross government reorganization program and is only responsible for leading the IT and Facility requirements. MTICS will provide some cross-government coordination support, as highlighted below

Steps Taken or Being Taken
In order to ensure that cross-government reorganizations occur as effectively as possible, MTICS will:

- Continue to coordinate the communications to initiate notification of the Cross Government Working Group (Working Group) and Ministry Single Point of Contacts (SPOC) of the reorganization. This will be initiated as soon as the Ministry of Finance informs the central reorganization mailbox of a new Order in Council (OIC).
- Convene a kick off meeting with the Working Group and SPOCs for the impacted ministries/organizations to: introduce participants; determine the impacts; and review the transition documentation and checklists.
- Update the central SharePoint site for each OIC change to enable the working groups to share data.
- Coordinate updates to the Government Reorganization Guide to Transition document to ensure all processes and contacts are current.
- Via the central mailbox, act as an escalation point regarding uncertainty of who to contact.
- Track facility-related changes, including:
    - Transferring impacted spaces to the receiving ministry's inventory,
    - Removing impacted spaces from the releasing ministry's inventory, and
    - Updating the facilities database (@RealBC) with new ministry nomenclature set up in the Corporate Accounting System.
    - Receive and determine requests for moves, furniture, new space etc.

Contact: Colin McEwan, Assistant Deputy Minister and EFO, Corporate Services **Phone:** (778) 677-6416
Date: May 8, 2017

- As in previous reorganizations, MTIC/OCIO will continue to have an IT Project Manager to coordinate the alignment of OCIO services and billings a result of the government reorganization. OCIO activities include:
    - Setting up new programs and ministries (TCA, Users, GL setup)
    - Managing in-flight iStore orders
    - Moving and transferring of OCIO services and assets for impacted programs (IT Workbook)
    - Updating Ministry explicit agreements for OCIO services.

In the event of complex or concurrent reorganizations, a weekly meeting for MTICS members of the Working Group will occur to ensure MTICS activities are coordinated.

TECHNOLOGY SOLUTIONS
Office of the Chief Information Officer

Lead Executive
Ian Bailey, Assistant Deputy Minister

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. DevOps enables ministries to accelerate the development and deployment of their computer systems.
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.
5. Device Services Administrator's Office – Workstation Services procurement.
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.

Major Activities in 2017/18
- **BC Services Card** – s.13
- **BC Developers' Exchange** - s.13

s.13

- **DevOps:** s.13
  s.13

- **Cloud Strategy:** s.13
  s.13
- **Network Modernization:** s.13
  s.13
- **Mobile Framework:** s.13
  s.13
- **Enterprise Business Architecture:** s.13
- **Workstation Procurement:** s.13
  s.13

Key Decisions in 2017/18

s.13,s.17

Budget

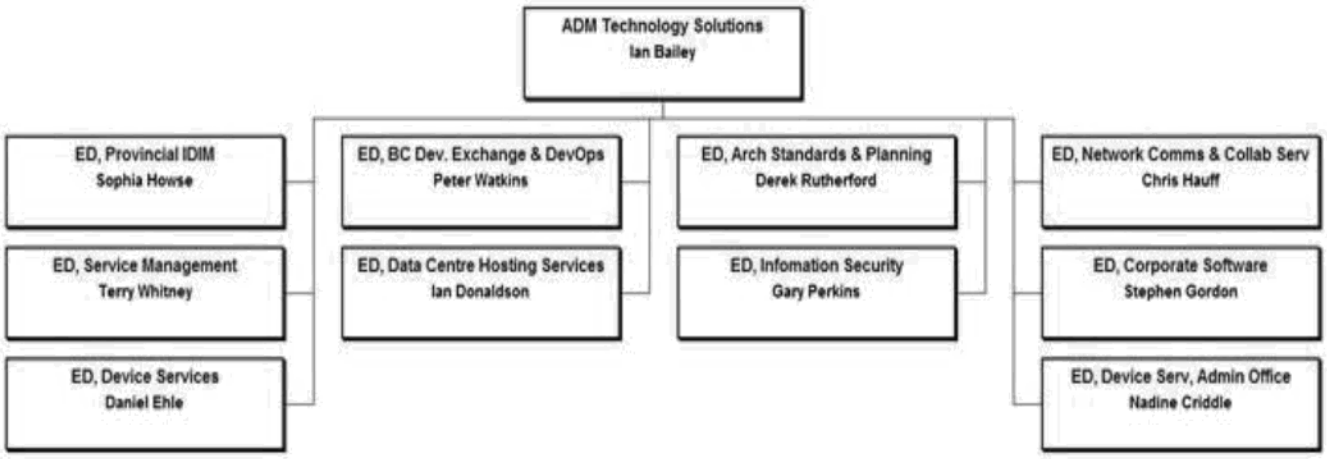
	Restated 2016-17 Budget	2017-18 Budget
Salaries and Benefits	$32.351M	$32.600M
Operating Costs	$212.916M	$212.999M
Grants	-	-
Other Expenses	$0.306M	$0.307M
Gross Expenditure Total	**$245.573M**	**$245.906M**
Total Recoveries	**($94.268M)**	**($94.332M)**
Net Expenditures	**$151.305M**	**$151.574M**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

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

Contact: Ian Bailey, Assistant Deputy Minister **Phone:** (250) 387-8053
Date: May 8, 2017

Organizational Chart:



IDENTITY MANAGEMENT SERVICES AND BC SERVICES CARD
Technology Solutions

Lead Executive
Ian Bailey, Assistant Deputy Minister

Background
The Provincial Identity Information Management (IDIM) Program is a key enabler for all digital initiatives in the BC Government, providing high-quality digital identity solutions to enable staff, citizens and businesses to make trustworthy statements about their identity over the Internet which supports the BC Government's move towards digital self-service. IDIM provides the key corporate identity management services which include the BC Services Card program, the BCeID program and the Biometric Shared Service that enable or support services to the public.

Launched on February 15, 2013, the ***BC Services Card*** is a single, secure government ID and credential issued by the Province to individuals for identification and access to services. The BC Services Card contains a security chip that can be used to electronically authenticate the cardholder when accessing in-person and online services.

The Ministries of Health (HLTH), Technology, Innovation and Citizens' Services (MTIC) and the Insurance Corporation of BC (ICBC) are working in partnership to deliver the BC Services Card program as an integrated program.

The BC Services Card program enables the issuance and management of the card to BC residents who are enrolled in Medical Services Plan (MSP).

- Phase 1 delivered on the promise of designing and developing the BC Services Card and issuing the Card to a subset of BC residents through the introduction of three card types: Photo BC Services Card, combined BC Driver's Licence and BC Services Card (Combo Card) and Non-Photo BC Services Card.
- Phase 2 focuses on issuing Cards to eligible MSP beneficiaries that were not targeted in Phase 1, such as non-drivers, or non-BCID holders, seniors, or those with difficulty coming to a driver's licensing office counter.

The BC Services Card Program leverages:

- ICBC's expertise in issuing highly secure provincial identification and related infrastructure, such as facial recognition technology, front counter operations throughout BC, and card production capabilities;
- HLTH's provincial MSP program, the only mandatory provincial program touching almost every citizen of BC, and through its operational arm, Health Insurance BC's call centre capabilities; and,
- MTIC's accountability for identity management infrastructure, including the authentication service and setting overall government policy on protection of citizen privacy.

MTIC's responsibility involves integrating ministry and broader public sector services with the BC Services Card authentication service, which will allow citizens to employ the identity and authentication features of the Card. This "onboarding" includes connecting and integrating technical systems to allow the sharing of authorized and required data elements, as well as completion of required business documentation.

In 2016, two services were successfully launched:

- July 2016: Successful pilot conducted with 6-10 notaries and land surveyors using their BC Services Card to access Land Title & Survey Authority's electronic services. This included electronic search, filing and help information.
- September 2016: 12-15 Canadian Blood Services workers successfully accessed blood related data by tapping their BC Services Card to login to CareConnect – the Provincial eHealth viewer.

The ***BCeID*** service provides identity and authentication services for online access to government services for citizens and business. There are three types of BCeID accounts designed to be used for specific identity management "contexts":

- *Basic BCeID* is generally used with government services that do not require a verified identity; for example, searching court files and filing court documents online at any registry in the Province.
- *Business BCeID* is generally used to deliver online services to business and other organizations; for example, applying for or renewing a liquor licence online.
- *Personal BCeID* is used by online services that require a verified identity for a citizen interacting with government as an individual (i.e. not in a business context).

The ***Biometrics*** management and authentication service is a shared service for clients that supports multiple tenants and their authorities to collect and manage biometric and identity information about their users. The solution authenticates people using fingerprint readers to enable access to online systems and to provide integration with building access control systems.

Current Context

As of March 31, 2017, 4.57M ***BC Services Cards*** have been issued with 3.60M active cardholders. This variance is due to cards being lost, stolen or replaced, and "temporary document holders" who get a BC Services Card with less than a 5-year expiry.

The following opportunities are in the onboarding process:

s.13

s.13

Interest is being expressed by a number of other ministry and broader public sector programs.

There are currently more than 150 core government and broader public sector program areas using the ***BCeID*** service to deliver their online services with ongoing exploration and engagement for additional onboarding opportunities. Over 500,000 citizens and businesses have registered to use BCeID with more than 200,000 accounts actively being used.

In partnership with the Ministry of Public Safety & Solicitor General, IDIM implemented a corporate ***Biometrics Shared Service*****;** a management and authentication service for Corrections clients to access web applications. Work is underway to enable Corrections workers to use biometrics to identify themselves when moving within the Okanagan Correctional Centre. Workers will use their BC Services Card to identify themselves before their biometric information is enrolled.

Major Activities in 2017/18

s.13

Key Decisions in 2017/18

s.13

s.12,s.13

s.13

SERVICES TO BUSINESSES
Service BC Division, BC Registries and Online Services

Lead Executive
Beverly Dicks, Assistant Deputy Minister

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: s.13,s.17

s.13,s.17

Contact: Carol Prest, Executive Director **Phone:** (250) 356-8658
Date: June 8, 2017

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

Act Name	Description	Owner
BC Online Act	Provides powers to the operator of BC Online respecting retention and remittance of monies to the government.	BC Online Partnership Office, Service BC
British Columbia Innovation Council	Establishes the BC Innovation Council and sets out the Council's objectives, powers and functions.	Strategic Initiatives and Partnerships Division
Business Number Act	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
Electronic Transactions Act	Describes how electronic documents can satisfy legal requirements that were traditionally met through use of paper documents.	Strategic Planning and Policy branch. OICO
Government Buildings Act	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
Knowledge Network Corporation Act	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
Procurement Services Act	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
Public Agency	Sets out requirements for the acquisition, disposal	Real Property

Act Name	Description	Owner
Accommodation Act	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
Provincial Capital Commission Dissolution Act		
Queen's Printer Act	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
Statistics Act	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
Legislative Assembly Management Committee Act	Permits the continuance of the Legislative Assembly Management Committee and sets out the duties and powers of the committee and the Speaker.	Legislative Assembly *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 .*
Legislative Assembly Privilege Act	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 *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,*

Act Name	Description	Responsible Entity
		legislative analysis and documents
Legislative Library Act	Permits the establishment of a legislative library and sets out requirements on the library and duties of the librarian.	Legislative Assembly *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*
Legislative Procedure Review Act	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 *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*
Members' Remuneration and Pensions Act	Sets out rules for compensating members of the Legislative Assembly.	Legislative Assembly *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*

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
Business Corporations Act	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

Act Name	Description	Ministry with which responsibility is shared	MTICS Responsibilities	Responsible Program Area Within MTICS
	business in the province.		Corporate Registry.	
Cooperative Association Act	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
Credit Union Incorporation Act	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
Financial Institutions Act	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
Insurance (Captive Company) Act	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
Mutual Fire Insurance Companies Act	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

Act Name	Description	Ministry with which responsibility is shared	MTICS Responsibilities	Responsible Program Area Within MTICS
	more persons who have insurable interest in rural property exposed to damage by fire.			
Partnership Act	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
Pension Fund Societies Act	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
Societies Act	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
Manufactured Home Act	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

Act Name	Description	Ministry with which responsibility is shared	MTICS Responsibilities	Responsible Program Area Within MTICS
	of a manufactured home.		Manufactured Home Registry.	
Personal Property Security Act	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
Repairers Lien Act	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
Miscellaneous Registrations Act	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
Ministry of Provincial Secretary and Government Services Act	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 CITZ** 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 s.12
s.12

Appendix 1 – Naming Privileges Policy

BRITISH COLUMBIA

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

BUDGET OVERVIEW
Ministry of Technology, Innovation and Citizens' Services
($ millions)

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. As the shared services provider for government, the ministry provides cost effective facilities, technology, and procurement and supply services to support our clients in achieving their mandates. It also works to make the province a destination for technology entrepreneurs, innovators and the organizations they lead, and ensures sensitive information is protected and secured. The ministry provides grant funding and oversees both the Knowledge Network Corporation, which delivers quality educational programming that is relevant and accessible to all citizens and 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.

Operating Budget Overview
The 2017/18 Estimates for the Ministry of Technology, Innovation and Citizens' Services have been tabled at $564.013 million (net) up $72.016 million or 15% compared to the 2016/17 budget of $491.997 million (net).

The following core businesses and budget fall under a single ministry operations vote:

Operating Budget	2016/17	2017/18	2018/19	2019/20
Services to Citizens and Businesses	$ 18.044	$ 18.381	$ 18.829	$ 18.829
Office of the Chief Information Officer	$ 9.959	$ 50.030	$ 10.140	$ 10.140
Logistics and Business Services	$ 2.843	$ 3.175	$ 3.582	$ 3.582
Real Property	$ 281.105	$ 296.179	$ 289.533	$ 289.533
Technology Solutions	$ 145.297	$ 145.566	$ 145.938	$ 145.938
Innovation and Technology	$ 3.252	$ 3.260	$ 3.272	$ 3.272
Transfers to Crowns and Agencies	$ 12.350	$ 28.149	$ 14.691	$ 14.728
Executive and Support Services	$ 19.147	$ 19.273	$ 19.456	$ 19.456
Total	**$ 491.997**	**$ 564.013**	**$ 505.441**	**$ 505.478**

Operating Budget Composition
In order to fully appreciate the scope of work that the ministry delivers on and the recoverable portion of operations, it's important to look at the gross budget grouped by major costs areas. While the net budget for 2017/18 is $564.013 million, the gross budget, before internal and external to government recoverable costs, is $928.061 million, as follows:

Operating Budget	2017/18	% of net budget
Salaries and Benefits	$ 120.127	21%
Building Occupancy (includes leases, taxes, utilities, interest)	356.867	63%
Information Technology	197.199	35%
Amortization	84.361	15%
Cost of Goods Sold (inventory within LBS)	75.513	13%
Professional Services	8.290	1%
Legal Services Chargebacks from Ministry of Justice	2.652	0%
Travel	1.126	0%
Office and Business Costs	4.738	1%
Knowledge Network grant	6.559	1%
BC Innovation Council grant	21.590	4%
Connecting BC grant	40.000	7%
Other	9.039	2%
Gross Operating Budget	**928.061**	**165%**
Internal Recoveries	(173.052)	(31%)
External Recoveries	(190.996)	(34%)
Gross Recoveries	**(364.048)**	**(65%)**
Net Budget	**$ 564.013**	**100%**

2017/18 Operating Budget

The 2017/18 *Estimates* for the Ministry of Technology, Innovation and Citizens' Services have been tabled at $564.013 million (net) up $72.016 million or 15% compared to the 2016/17 budget of $491.997 million (net).

Primary changes impacting the 2017/18 *Estimates* include:

- A budget increase of $40.000 million in the Office of the Chief Information Officer to support multi-year expansion of high-speed internet infrastructure in rural and remote areas of the province.
- A budget increase of $13.500 million in grant funding to BCIC in support of BC Technology Co-ops and the BC Innovators Skills Initiative.
- A budget increase of $2.000 million, each year for 2017/18 through 2019/20 for a total of $6.000M, in grant funding to BCIC to create an Innovative Ideas Fund; which will support identifying and encouraging the purchase of innovative technology products that allow for more efficient delivery of government services.
- A budget increase of $7.827 million in Real Property for ongoing operating costs for the Okanagan Correctional Centre.
- A budget increase of $6.993 million in Real Property for increased amortization associated with increased routine facility capital expenditures ($3.746 million), and increased lease-backs and other operating costs associated with the sale of surplus government properties ($3.247 million).
- A budget increase of $1.378 million was provided to support the increased salary and benefit costs resulting from the Economic Stability Mandate set by government in 2013, as well as subsequent Economic Stability Dividend increases.

- A budget increase of $0.299 million in annual grant funding to the Knowledge Network primarily to support expanded bandwidth requirements for their online delivery of services.

In addition to the budget increases described above, the ministry received notional contingencies access approval from Treasury Board for a significant number of existing pressures and new initiatives. See *Appendix A – Budget 2017 Decisions* for a reconciliation of budget changes and notional contingencies access approvals.

Fiscal 2017/18 Operating Budget Management Planning

The key cost drivers, other than inflationary pressures vary by lines of business. For lines of businesses delivering direct services to citizens and businesses such as Service BC and BC Registries it is the number of transactions required by citizens. While for Technology Solutions, Real Property, and Logistics and Business Services, who provide services to other ministries, it is the size of government ministries both in respect of workforce as well as budgets.
Additionally, MTICS is currently managing a number of key corporate priorities for government; including: the BC Tech Strategy, BC Services Card, Procurement Reform, and the re-procurement of major alternate service delivery contracts for governments IT and facility infrastructure. Through deferral and costs reductions MTICS was able to manage the additional costs for these initiatives within the 2016/17 budget, but for 2017/18 and into the future this was not anticipated to be sustainable. MTICS secured budget increases and notional contingencies approval in 2017/18 on most major pressure that was being managed in 2016/17.

The ministry has undertaken a significant review of professional services contracts and converted many of them into permanent staffing resources where there is ongoing need for the service and to build internal capacity. . This shift is anticipated to generate $2.6 million in annual operating budget savings starting in 2017/18.
The ministry will review all the platform commitments in the coming weeks to ensure that there is a financial plan in place to fund them.
The ministry will also be providing an update to Treasury Board Staff for the upcoming Budget update.

Capital Budget Overview

The capital budget held by the ministry is primarily in support of IT and facility infrastructure for all of government. Major responsibilities include:

- Office of the Chief Information Officer - manages government IMIT transformation funding on behalf of the IM/IT Capital Investment Board and the Deputy Ministers' Committee on Public Service Innovation (DMCPSI). OCIO ensures that IMIT investments in new or existing applications across ministries align with strategic direction and priorities of government.
- Logistics and Business Services – is allocated a provision support their specialized equipment needs primarily in the Supply Services arm of their operations (e.g. Forklifts, Inventory management equipment, Pharmacy equipment).

- Technology Solutions – funding to support alternative service delivery solutions for the provision of managed hosting and data centre services, workstations, workstation support, communications and collaboration. Costs are driven primarily by aging devices, client demand, and changing technologies.
- Real Property – holds the corporate provision for routine capital, which is to address maintenance and renovation to maintain and extend building functionality and useful life (e.g. elevators, plumbing, heating, security system, roofing). Funding for major projects such as new facility development or major refurbishment (e.g. demolition and construction and/or expansion of courthouses or correctional facilities), capital leases, and office furniture are also managed by Real Property to address client needs. Additionally, this line item includes the ministry vehicle budget, supporting both BC Mail Plus operations and Real Property.

Governance of the budget is through a Capital Investment Board (CIB) that was established to guide the implementation of the ministry's short and long term capital plans and to advise the Deputy Minister on related matters.

The membership of the CIB includes the Deputy Minister, Associate Deputy Minister and Government Chief Information Officer, Associate Deputy Minister of Citizens' Services; and, Assistant Deputy Minister of Corporate Services.

The CIB does not govern the IMIT transformation funding in its entirety, rather it advises on MTICS specific projects that have been allocated funding by DMCPSI.

Capital Budget	**2016/17**	**2017/18**	**2018/19**	**2019/20**
Office of the Chief Information Officer	$ 55.339	$ 93.130	$ 89.820	$ 88.390
Logistics and Business Services	$ -	$ 0.317	$ 0.158	$ 0.260
Real Property	$ 133.752	$ 184.622	$ 150.407	$ 167.195
Technology Solutions	$ 15.558	$ 11.644	$ 10.821	$ 12.719
Executive and Support Services	$ 0.010	$ 0.010	$ 0.010	$ 0.010
Total	**$ 204.659**	**$ 289.723**	**$ 251.216**	**$ 268.574**

Further details on capital are attached as follows:

- Appendix B - Major Capital Infrastructure Projects
- Appendix C – 10-Year Capital Plan
- Appendix D – 2016/17 to 2017/18 Capital Budget Changes

Loans, Investments and Other Requirements

As part of governments plan for the sale of assets, under the Release of Assets for Economic Generation program, the Real Property Division has approval to recover costs (disbursements) associated with the various sales against revenue generated (receipts). Receipts and disbursements do not balance each fiscal but over fiscal plan period and over the life of the program they will net off each other. The budget has been approved as follows:

Financing Transactions	2017/18	2018/19	2019/20
Receipts	$ (6.000)	$ (2.000)	$ (0.500)
Dispursements	4.500	2.000	2.000
Total	**$ (1.500)**	**$ -**	**$ 1.500**

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Appendix B – Major Capital Infrastructure Projects

Surrey Courthouse Renovation and Addition

Location: 14340 - 57 Avenue, Surrey, BC

Total Project Cost: $30.128M

The Province will invest approximately $30 million to construct a new addition to the Surrey Courthouse to accommodate three new courtrooms and two hearing rooms. Scope will also include renovations to portions of the existing building. Tendering is underway (January/February 2016) and construction is expected to begin in February/March 2016. Completion is slated for fall, 2017.

Intent: The project responds to the demand forecast for justice facilities at an aging Courthouse with expanding trial volumes.

Maples Adolescent Treatment Centre (Maples) / Provincial Assessment Centre (PAC)

Location: Riverview, Coquitlam, BC

Total Project Cost: $74.698M

The Province will invest a total of approximately $75 million to construct a new facility to accommodate the **28-bed** Maples Adolescent Treatment Centre and the **10-bed** Provincial Assessment Centre.

Construction of a new facility is expected to begin in early 2017. The capital cost is expected to be approximately $75 million.

Intent: The new-build project is intended to replace two aging existing facilities at Willingdon Lands, Burnaby.

Abbotsford Law Courts

Location: City Centre Civic Precinct, Abbotsford, BC

Total Project Cost: $157.192M

The new 14-room law Courts will be constructed in the Abbotsford City Centre Civic Precinct on land leased to the Province by the City of Abbotsford. The business case, developed by MoJ with support from MTICS, received cabinet approval on February 15, 2017. The project budget is part of MTICS' budget, while the MTICS team provides project management as well as support to the Project Board. The project will proceed through requests for qualifications and proposals starting in early 2017, with design and construction expected to commence in mid-2018. It is estimated that the completed Law Courts facility will be open and fully operational in 2021.

Intent: The project responds to the demand forecast for justice facilities at an aging Courthouse with expanding trial volumes.

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Appendix D – 2016/17 to 2017/18 Capital Budget Changes

MTICS CAPITAL PLAN - BUDGET 2017 (ESTIMATES)

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MINISTRY OPERATIONS
s.12

LOGISTICS AND BUSINESS SERVICES
s.12

OFFICE OF THE CHIEF INFORMATION OFFICER
s.12

TECHNOLOGY SOLUTIONS
s.12

REAL PROPERTY
s.12

Corporate Frozen Funds

MTICS TOTAL ESTIMATES BUDGET

MTICS CAPITAL - Reason for changes
Logistics and Business Services - new category for Special Equipment required and approved by TBS. **Office of the Chief information Office** IM/IT envelope increase from 16/17 based on previously approved projects. Further approval from TB Sub for an increase of $15M for 17/18, 18/19 and 19/20. **Real Property Division -** increase due to Capital Park capital lease in 17/18, Okanagan Correctional Centre project completing and continuing improved budget for Routine Capital. **Frozen Funds** moved into Abbotsford Courthouse Project within Real Property.

30, 60, 90 Day Decision: Financial Reporting and Budgets
Corporate Services Division

Lead Executive
Colin McEwan, Assistant Deputy Minister

Key 30 day issues:
1. Complete reporting for FY 2016/17 Financial Statements
2. Budget briefing of the Minister

Key 60 day issues:
1. Develop/refine budget post-election and any new strategic direction

Key 90 day issues:
1. Develop and submit 1st quarterly financial report
2. Prepare for budget update and estimates debate

Decision Required
s.12

Contact: Colin McEwan, Assistant Deputy Minister & Executive Financial Officer **Phone:** (250) 952-7635
Date: April 21, 2017

30, 60, 90 Day Decision: BC Knowledge Development Fund
Major and Minor Competitions
Technology and Innovation

Lead Executive
Kevin Butterworth, Executive Director

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

The BCKDF funds such infrastructure as laboratories, lab instruments and state-of-the art large equipment (e.g. linear accelerator, supercomputers). By funding the infrastructure of BC's advanced research centres, the BCKDF contributes to supporting innovation, talent development, and job creation in the Province.

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.

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

Since 1998, over $650 million has been awarded through the BCKDF. This has generated an additional $1.1 billion in research infrastructure funding from the CFI and other non-provincial government sources, for a total investment of over $1.7 billion in research infrastructure in the province.

The intakes of BCKDF proposals run in parallel with the federal CFI competitions:

- **BCKDF Majors:** Every 2-3 years. Range from $30-$50M awarded by B.C. per competition. Aligned with CFI Innovation Fund competitions (for major foundational equipment)
- **BCKDF Minors:** Three times per year. Average $10M per year awarded by B.C. Aligned with CFI John R. Evans Leaders Fund competitions (for small equipment)
- **BCKDF "special":** One-off competitions. Aligned with CFI one-off competitions (e.g. Cyberinfrastructure competition in 2015 and 2016 only)

Current Context

The 2017 Major competition is currently underway. The national CFI budget for this competition is $425 million. Additionally, the CFI will allocate about $127 million nationally for the operation and maintenance of each awarded project (BCKDF does not allocate operational funding).

The CFI has received 351 proposals from 59 institutions across the country for a total request of nearly $1.2 billion from the CFI, and representing total project costs of approximately $3.2 billion. In parallel, the BCKDF has received 55 major proposals from the B.C. post-secondary institutions, for a total ask of $161 million in matching funds from the BCKDF.

BCKDF project proposals must first be approved by the CFI for funding in order to be considered for BCKDF funding. The Province relies on the CFI's scientific expert reviews of proposals' research quality.

BCKDF project proposals must demonstrate alignment with the current provincial priorities and goals to be considered for BCKDF funding, as follows: commercialization, job creation, and talent development. Ministry staff and executives have conducted due diligence to confirm projects' alignment with BCKDF priorities.

BCKDF Status (as of April 10, 2017)

- **Major proposals**: 55 proposals; capital amount requested from BCKDF $161 million
- **Minors proposals**: 38 proposals; capital amount requested from BCKDF $8.3 million

Major Activities in 2017/18

- CFI decision expected in June 2017 for the Major and the Minor competitions.
- Upon receipt of CFI decision: finalize due diligence and financial review for the projects.

s.13

Key Decisions in 2017/18
90 days +
s.13

30, 60, 90 DAY DECISION: SHARED SERVICE BC
Treasury Board Report-Back

Lead Executive
Colin McEwan, Assistant Deputy Minister

Background
Shared Services BC (SSBC) was established in 2004 in order to reduce costs, improve service delivery, and address standardization of services. s.12

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s.17 s.12

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In the budget letter for 2017/18, MTICS was directed to report back by October 2017 on results achieved since the consolidation of shared services, explain shared services growth and pressures, including plans to mitigate consumption and costs pressures; and any changes or refinements to the corporate shared services funding model.

Current Context
s.12,s.13

Major Activities in 2017/18
s.13

Key Decisions in 2017/18
s.12

Contact: Philip Twyford, Executive Director and CFO **Phone:** (250) 516-0268
Date: May 9, 2017

SPARK INNOVATION AND GROWTH IN BC TECH SECTOR

Technology, Innovation, Procurement and Supply

Lead Executive
David Morel, Assistant Deputy Minister

Background

British Columbia's (BC'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 opportunities exist to continue the growth of the sector by modifying and improving provincial programs and working with the federal government to make sure BC's interests are represented as it implements its Innovation Agenda.

A major challenge facing most BC companies is increasing scale from small to large. Recruiting and retaining staff and securing capital continue to be ongoing challenges for most BC technology companies.

Programs and policy development that support the BC Tech Sector reside in a number of ministries and agencies, including the Ministry of Technology, Innovation and Citizens Services; 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. Background on the tech sector and existing BC and federal programs follows.

Key Decisions

s.13

Profile of BC's Technology Sector

BC's technology sector has experienced strong 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. The majority of technology companies are located in areas of high population density.

The most recent BC Stats profile of the sector shows the significant impact the technology sector is having in BC:

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

Subsectors

Clean Technology

BC's cleantech sector is showing dramatic growth. In 2016 the number of cleantech companies grew to 273 with 8,500 employees. Strengths include:

- Hydrogen and fuel cells;
- 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;
- Renewable energy technology; and
- Water and waste resource management technologies.

The Cleantech CEO Alliance, chaired by Jonathan Rhone, is a group of cleantech sector CEOs who advocate for the rapid growth and development of BC's cleantech sector.

The major impediment to growth identified by the sector is the difficulty in obtaining capital for early stage commercialization and talent. The Cleantech CEO Alliance claims the Venture Capital Fund will not assist the sector and has called on government to create a loan guarantee program to encourage commercialization, and to examine other capital programs to assist in the growth and development of the sector.

Information and Communication Technologies (ICT) and Wireless

BC Stats estimates that 4,800 ICT and wireless companies in the province employ approximately 62,000 people. Examples of major BC ICT and wireless companies include:

- Multinationals with significant research and development presence in BC such as Microsoft and Amazon;
- 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 recent 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 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. 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

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. Examples include:

- 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; and
- 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.

BC's competitive advantage in this space lies in the emerging sector of Precision Health.

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 is 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 Innovation Council

The BC Innovation Council (BCIC) is a Crown Corporation that encourages the development and application of advanced or innovative technologies to meet the needs of industry in BC, and accelerates technology commercialization by supporting start-ups 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 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 start-up 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

Experiential Learning Programs (Co-op and Innovator Skills Initiative)

- The BC Tech Co-op Grant program is being delivered by BCIC in close collaboration with post-secondary co-op departments.
- The BC Tech Co-op Grants program provides $2,700 per co-op term to small firms based in BC to recruit and train tech co-op students from the province's public post-secondary institutions. Two hiring options exist:
    - Encouraging new co-op employers: $2,700 for new eligible employers who hire a co-op student; and
    - Boosting the junior talent pool: $2,700 for eligible employers who hire a junior co-op student.
- The BC Budget 2017/18 allocated $13.5 million to BCIC, in part for the continuation and expansion of the BC Tech Co-op Grants program.
- The key objectives of BC Innovator Skills Initiative (ISI) include:
    - Providing real world technical, business and commercialization skills to students; aligning them with job opportunities; providing field experience and future growth in their region;
    - Equipping students with the innovator and entrepreneurial skills required to not only fill jobs but to start companies and create jobs; and
    - Promoting and advancing entrepreneurialism in key priority sectors.
- The key elements of the program are:
    - Vouchers with values ranging from $2,500 to $7,500 – Matched 1:1 by companies;
    - Eligible companies: early-stage B.C. companies (e.g., start-ups);
    - Eligible students: post-secondary undergrad or graduate students from public post-secondary BC institutions;
    - Delivered across BC regions by 16 BCIC partners; and
    - Students complete modules of the online Market Validation Program offered by New Ventures BC.

Premier's Technology Council (current responsibility Premier's Office, funded by MTICS)

Formed in 2001, the Premiers Technology Council consists of volunteer business representatives. The Council has provided a number of written reports and advice to the Premier and government.

Members

- Co-Chair – Premier
- Co-Chair – Don Mattrick, 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 that helps manage critical infrastructure.
- V. Paul Lee, Founder and Managing Partner of VanEdge Capital Partners Ltd.
- Lane Merrifield, founder of Club Penguin, largest online virtual world for kids (subsequently 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 Stuart, 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

The PTC is led by the President and CEO, Greg Caws, with an annual budget of $425K. Secretariat staff include a PTC Director of Operations, seconded from MTICS, and two full time staff.

Venture Capital Fund (current responsibility MIT)

The $100 million BC Tech Fund provides funding to other venture capital fund and individual companies. 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. To date, the BC Tech Fund has made investments in:

- Lumira Capital IV, L.P., a new health care and life science venture capital fund managed by Lumira Capital;
- Vanedge Capital II, a Vancouver based early-stage venture capital fund investing in technology inflection points in cloud computing, artificial intelligence, cyber security, SaaS and digital media; and
- Mojio, a Vancouver-based connected car open platform developer.

While the fund is permitted to provide funding for all tech sub sectors, BC Clean Tech sector has stated that the fund will not be helpful to that sector.

Coding in Elementary Schools (current responsibility Ministry of Education)

The Province announced $6 million for coding and curriculum implementation in June, 2016. Optional coding modules were implemented for grades 6-9 in September 2016.

Tax Credits (current responsibility MIT and MoF)

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 BC, in the business of developing interactive digital media products, may be eligible for a refundable 17.5% tax credit on qualified labour costs.
- Small Business Venture Capital Tax Credit (SBVCTC): 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 BC tax equal to 30% of the investment.

Industry groups strongly support the expansion of the programs. To this end, the previous government announced, subject to the approval of the Legislature, expansion of the two credits to include augmented reality and virtual reality products designed to entertain, and increasing the SBVCTC by 10%, and finally, also allowing companies to participate in both credits at the same time.

Immigration (current responsibility JTST)

The BC government has set a target of increasing the number of skilled immigrants with technology skills entering BC by 1,400 to 1,800 people. Part of this will be met through a tech-specific pilot under the Provincial Nominee Program, ensuring the sector has the capacity they need to attract longer-term talent. The Province also continues to 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.

ICE Fund

The ICE Fund is a Special Account, funded through a levy on certain energy sales, designed to support the Province's energy, economic, environmental and greenhouse gas reduction priorities, and to advance BC's clean energy sector. In March 2017, the Province announced a $40 million partnership with Sustainable Development Technology Canada (SDTC) to support the development of pre-commercial clean energy projects and technologies over three years. The ICE Fund is a well-established program and typically targets companies that are more established but pre-revenue; on average the amount received by a company from the ICE fund is $ 1 million.

#BCTECH Summit

The *#BCTECH Summit* is an annual two-day event in Vancouver, co-hosted by the BC Government and the BC Innovation Council. In 2016 the Summit had participation of over 3,500 total attendees at the event (of which there were 3,056 participants for the core conference). The follow-up *#BCTECH Summit 2017* grew to over 7,400 total attendees when including peripheral events (of which 5,559 participated in the core conference).

The budget for the #BCTECH Summit 2017 was $2.5 million. The event was funded through revenues generated from the previous summit, industry sponsorships, exhibitors, ticket sales and government

support. Several provincial ministries cumulatively invested $885,000 supporting periphery events and stakeholder components of the summit, which was approximately 35% of the total expenses.

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

- 5,559 delegates across more than 1,200 organizations;
- 270 exhibiting BC companies;
- 1,534 secondary, post-secondary students and teachers from across the province explored technology career opportunities during Youth Innovation Day;
- 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; and
- 200 speakers in 90 sessions.

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Provincial Research Programs

BC Knowledge Development Fund (current responsibility MTICS)

The BC Knowledge Development Fund (BCKDF) is managed by MTICS with funding provided by the Ministry of Advanced Education (AVED) Capital Budget for BC's public post-secondary institutions.

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

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 BC;
- promote excellence in research and the enhancement of research infrastructure in BC;
- encourage increased collaboration among the province's post-secondary institutions, as well as between post-secondary institutions and industry;
- improve BC's ability to attract and retain high-quality researchers and skilled technicians; and
- ensure that BC public post-secondary institutions and research hospitals are able to compete successfully for federal funding 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 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:

Fiscal Year	Number of projects	BCKDF funds awarded	Direct funds attracted (CFI and other partners)
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

Examples of advanced research centres that benefited from 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.

There is a current round of research proposals being considered by CFI, for which the Province has provided comments. Decisions by CFI are expected in June 2017.

Current Majors Projects Under Consideration

- 55 BCKDF proposals were submitted to MTICS in November 2016 for a total requested amount of $161 million.
- After scientific review, 31 of the 55 proposals moved to the final stage of the competition. Not all 31 projects will be funded. The final CFI decision will be based on financial and strategic considerations.
- Timeline:
    - June 19, 2017: CFI funding decision.
    - July 19, 2017: Deadline for proposals approved by CFI to submit detailed financial cash-flow information to MTICS (BCKDF Step-2 form).

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Michael Smith Foundation for Health Research

- The Michael Smith Foundation for Health Research (MSFHR) was officially founded by the BC government in 2001 with a mandate to enhance BC's capacity for world-class health research.
- MSFHR delivers research funding programs that nurture talent, advance new treatments and cures, and respond to health system priorities.
- Since 2001, MSFHR has awarded grants to over 1,580 research projects, and this has contributed to training over 1,200 highly qualified students.
- Researchers have developed such innovations as breast cancer tests, optimal dosage for human papillomavirus vaccine, and vaccine candidates for the SARS epidemic.

- Over 140 patents were filled by researchers during or subsequently to their MSFHR scholar award.
- MSFHR programs such as the newly announced "Innovation to Commercialization Program" will further contribute to the growth of the BC health technology sector.
- MSFHR's budget originates mainly from year-end funding from the Ministry of Health. Since its inception, MSFHR has received over $460 million in BC funding to deliver health research programs for the province.

Genome BC

- Genome BC is a non-profit organization founded in 2000 that leads genomics innovation on Canada's west coast and facilitates the integration of genomics into society.
- Genome BC encourages genomics research for social, environmental, and economic benefits.
- A recognized catalyst for government and industry, Genome BC invests in and facilitates complex co-funding arrangements in genomics research to address challenges in key sectors such as health (e.g., create cancer tests), forestry (e.g., prevent invasive species introduction), agriculture (e.g., make BC's wine industry stronger), fisheries (e.g., prevent salmon diseases), clean energy (develop renewable fuels), and the environment (e.g., find bioremediation techniques to clean up mining sites).
- Genome BC supports the growth of the tech sector through genomics advances. For example, since 2000, the projects funded or co-funded by Genome BC have led to over 530 patent applications, 38 companies advances, and close to 1,800 scientific publications. Projects have involved close to 680 partners and led to the creation of successful start-up companies such as Contextual Genomics (cancer tests).
- The Province contributes to the projects funded through Genome BC. Since 2001, BC has injected over $240 million in Genome BC (mainly year-end funding from Ministry of Health).

There are a wide range of other research organizations operating in BC that the Province has funded since 2001, including:

- Centre for Drug Research and Development
- FPInnovations
- Geoscience BC
- Mitacs
- Ocean Networks Canada
- Pacific Institute for Climate Solutions
- TRIUMF
- 4D-Labs
- International Collaboration on Repair Discoveries (ICORD)
- ATLAS – Data Analysis Centre
- Beaty Biodiversity Research Centre

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) – Promotes the development and diversification of Western Canada's economy and advances the interests of the West in national economic policy.
- Sustainable Development Technology Canada (SDTC) – Funds Canadian cleantech projects and coaches companies as they move their technologies to market.
- Natural Resources Canada (NRCan) – Enhances the responsible development and use of Canada's natural resources and the competitiveness of Canada's natural resources products.
- Canada Foundation for Innovation (CFI) – Makes 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 – Funds and promotes 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)

New or Expanded Federal Programs

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; and
    - 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 for a 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.

Clusters

- The Federal Innovation Superclusters Initiative (ISI) was announced in Budget 2017 and launched on May 24, 2017. The Government of Canada will work with industry through a business-led partnership model to align the efforts of diverse industries, researchers and intermediary institutions, and build deep, ecosystem-level advantages in regions across Canada.
- Investments will accelerate commercialization, strengthen capacity in strategic platform technologies, help tackle challenges of importance to industry, and take advantage of new opportunities to boost the productivity and competitiveness of Canada's sectors of economic strength.
- The ISI will allocate a small number of high-value, strategic investments in the form of non-repayable contributions to industry-led consortia. Contributions will be $125–$250 million, for a total of up to $950 million over five years (this means approximately five superclusters in total), and will be matched with private sector investment for maximum impact. The specific number and value of contributions will depend on the applications received.
- The application process will consist of two phases: 1) Letter of Intent and 2) Full Application. Letters of Intent will be reviewed against assessment criteria and the most promising proposals will be selected to participate in the invitation-only Full Application phase. The deadline to submit a Letter of Intent is July 21, 2017.
- To be eligible, an application must be submitted by an industry-led consortium. An eligible recipient of the funds will be a not-for-profit corporation representing the consortium. To achieve the desired scale of impact, applicants will be required to:
    - pull together a critical mass of large firms, innovative SMEs, industry-relevant academic and research institutions, and other innovation partners eager to work together;
    - leverage funding from multiple private sector companies from across highly innovative industries of economic and strategic importance within the cluster; and
    - co-invest, dollar for dollar, to match the federal contribution requested and approved under the program.
- There is no formal requirement for applications to garner provincial government support.
- Matching funds may not include contributions from provincial or municipal governments, although such funding commitments may add to the strength of an application.

- There is currently no clear indication of how many applications from BC consortia will be put forward in Phase 1 of the competition.

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 centre 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.

MAP OF BC TECHNOLOGY COMPANIES
Technology, Innovation, Procurement and Supply

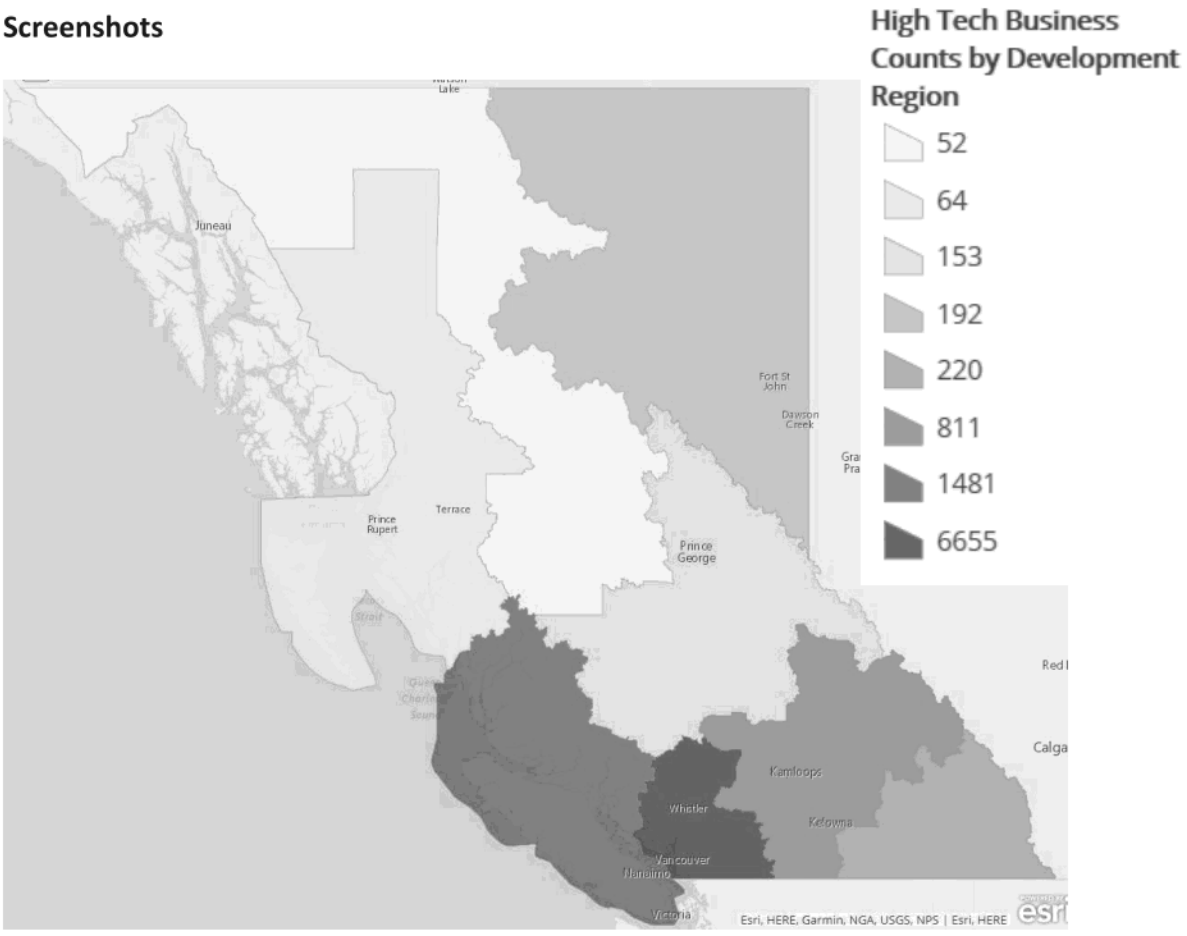
ADM Responsible: David Morel, Assistant Deputy Minister

In 2015, there were 9,905 high technology businesses with employees in British Columbia. The map of BC technology companies shows the location of companies by Economic Development Region, as well as by company size (small, medium and large).

Even though increased connectivity has enabled technology companies to emerge in every corner of the province, the map shows that the majority of technology companies are located in areas of high population density. The BC technology sector is made up primarily of small businesses. All businesses classified as large (500+ employees) are located in the Mainland/Southwest region.

Web link: Map of BC Technology Companies

Screenshots



Contact: Kevin Butterworth, Executive Director, Technology and Innovation **Phone:** (250) 356-1894
Date: April 21, 2017

1 Small Businesses: High Tech Business Locations Counts by Employee-Size Class

Small businesses: 1 to 49 employees

Development Region	Total Small Businesses
No Region Information	267
Vancouver Island/Coast	1,435
Mainland/Southwest	6,320
Thompson/Okanagan	790
Kootenay	215
Cariboo	149
North Coast	60
Nechako	49
Northeast	179
Grand Total	**9,464**

Source: BC Stats

2 Medium-sized Businesses: High Tech Business Location Counts by Employee-Size Class

Medium-sized businesses: 50 to 499 employees

Development Region	Total Medium-sized Businesses
No Region Information	9
Vancouver Island/Coast	46
Mainland/Southwest	318
Thompson/Okanagan	21
Kootenay	5
Cariboo	4
North Coast	4
Nechako	3
Northeast	13
Grand Total	**423**

Source: BC Stats

3 Large Businesses: High Tech Business Location Counts by Employee-Size Class

Large businesses: 500+ employees

Development Region	Total Large Businesses
No Region Information	1
Vancouver Island/Coast	0
Mainland/Southwest	17
Thompson/Okanagan	0
Kootenay	0
Cariboo	0
North Coast	0
Nechako	0
Northeast	0
Grand Total	**18**

Source: BC Stats

4 Total High Tech Business Location Counts

Development Region	Grand Total
No Region Information	277
Vancouver Island/Coast	1,481
Mainland/Southwest	6,655
Thompson/Okanagan	811
Kootenay	220
Cariboo	153
North Coast	64
Nechako	52
Northeast	192
Grand Total	**9,905**

Source: BC Stats

PROCUREMENT SERVICES
Technology, Innovation, Procurement and Supply

Lead Executive
David Morel, Assistant Deputy Minister

Background

Government spends approximately $6.6 billion annually with 30,000 vendors on 22,000 contracts for goods services and construction.

The *Procurement Services Act* provides the authority to the Minister of Technology, Innovation and Citizen Services, or a person employed within government whom he/she delegates, to acquire and assist in acquiring property and services, and/or contract on behalf of government for same, or dispose of property for the government. The Act also gives authority for Minister or delegate to recommend best practice forms or agreements and arrangements to promote fair and open procurement, demand aggregation, value for money, transparency and accountability.

Chapters six and twenty one of the Core Policy and Procedures Manual (CPPM) contain the regulatory policy for government procurement of goods, services and construction. Within this policy, it identifies that ministries "are accountable for the results of their procurement decisions and the appropriateness of the processes followed".

The Province of British Columbia is a party to a number of trade agreements, including the national *Agreement on Internal Trade (AIT)* and the *New West Partnership Trade Agreement (NWPTA)*, and is subject to the provisions of certain other trade agreements, including the *World Trade Organization Agreement on Government Procurement* (*WTO GPA*). In addition, the Canadian Free Trade Agreement will come into force on July 1, 2017. It includes some new obligations that will effect procurement including a new dispute resolution mechanism open to venders. Ministries must abide by the terms and conditions of these trade agreements when undertaking procurements.

BC Bid is an integral part of fair, open and transparent procurement. Over 625 organizations in the provincial public sector use the online system to distribute tender documents to the public and 5,000 suppliers have registered accounts for email notification and eBidding.

Current Context

Government procurement policies are by and large focused on establishing a fair open procurement process that provides for cost effective contracts that comply with trade obligations and protect the crown from litigation. Other potential objectives or benefits such as green procurement, First Nations employment or developing the technology sector are not supported in current policy and practice.

Discussions have been held, mainly with the BC technology sector, about how procurement could be improved. The main concerns raised are that government is too focused on cost rather than value or other benefits, too risk adverse, too focused on specifications rather than solutions and processes favour large venders particularly in IT sector.

Launched in 2002, BC Bid is a legacy system that cannot accommodate the new technologies used by customers, suffers from security and stability issues, and has other significant problems and risks. A process has been started to replace BC Bid with modern procurement technology to streamline processes and allow collection of additional information about procurement in government, i.e. amount of local procurement.

Announcements have been made to create a procurement concierge and establish an innovative ideas fund, and work is ongoing to implement these commitments. The concierge would consist of a small team to assist any company looking to do business with government to find their way to government buyers and match opportunities for innovation with solutions from vendors. The Innovative Ideas fund would create a $2 million fund to encourage the purchase of innovative technology products from BC companies.

Key Decisions

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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.

Many Canadian jurisdictions have some form of alternative service delivery, as well as most large private sector organizations. In addition to the original 3 key objectives, another objective in the current generation of contracts is to benefit from innovation in technology and service delivery and leading edge industry practices.

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 Decisions in 2017/18

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Key Alternative Service Delivery 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, and 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

30, 60, 90 Day Decision:
Innovation Commission

Lead Executive
John Jacobson, Deputy Minister

Background
In line with the 2017 Confidence and Supply Agreement between the BC Green Caucus and the BC New Democrat Caucus to Establish an Innovation Commission to support innovation and business development in the technology sector, and appoint an Innovation Commissioner with a mandate to be an advocate and ambassador on behalf of the BC technology sector in Ottawa and abroad.

Included among the key issues were (i) The mandate and funding of the Innovation Commission will be jointly established by representatives of both the BC Green Caucus and the BC New Democrat Government and (ii) The Innovation Commission will be created in the 1st provincial budget tabled by the BC New Democratic Government. pg. 5, S3, 2j).

Presently, there are a number of proposed or current government programs to support innovation and grow the technology sector that could be included in the Innovation Commission including:

- Enhanced outreach and trade missions related to the technology sector to develop new export markets, attract new investment and talent;
- Partner with universities to create technology and innovation programs and innovation centres;
- Provide grants and coaching to enable start-ups and early stage companies to attend investor events and secure seed and growth capital;
- Invest with other levels of government to expand BC's leading Clean or other tech sectors; and
- Provide focus to train and attract tech talent locally and abroad (Chief Talent Officer).

Current Context

Here is a list of the current programs (for further information see Technology and Innovation Note):

- Premier's Technology Council which provides advice to Premier on technology and innovation.
- British Columbia Innovation Council
- Research - - Knowledge Development Fund, Genome BC and Michael Smith Foundation
- Venture Capital Fund, Innovative Clean Energy Fund, Small Business Venture Capital program.
- Organize Tech summits or similar events.

The options in consideration for the establishment of the Innovation Commission are as follows:

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Major Activities in 2017/18
Proposed Implementation and Budget:

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Key Decisions in 2017/18
Critical Dates:

s.13

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MINISTRY RELATED COMMITMENTS
GREEN PLATFORM 2017

Page	Commitment	Role	Funding
16	USE GOVERNMENT BUSINESS & PROCUREMENT TO STIMULATE INNOVATION AND BC BUSINESSES 13. Review the mandates and legislation of public sector agencies and Crown Corporations to ensure they promote innovation and support business development. For example, the mandate of BC Hydro will be revisited to optimize support for clean energy development.	Support/ Partial Lead	Partially funded
16	SUPPORT INNOVATION & NEW BUSINESS MODELS 16. Review existing programs to ensure they are effectively supporting innovation, and new business models in the emerging economy. 17. Establish an Innovation Commission to support innovation and business development in the technology sector, and appoint an Innovation Commissioner with a mandate to be an advocate and ambassador on behalf of the BC technology sector in Ottawa and abroad.	Support/ Unknown	Unfunded
16	ENHANCE BUSINESS LEADERSHIP SKILLS FOR YOUNG PEOPLE 19. Provide up to $70 million over four years for qualifying entrepreneurs to leverage seed or angel funding.	Unknown	Unfunded
24	INCREASE THE SUPPLY OF AFFORDABLE ACCOMMODATION 33. Work with federal and local governments to make land available for the construction of affordable housing.	Support	Unknown
43	GROW THE CLEAN TECHNOLOGY SECTOR 73. Invest $120 million over four years in partnerships with industry, academic institutions and other levels of government to support research, development and commercialization of climate friendly technologies and implement innovative ways to achieve desired environmental outcomes. 74. Promote innovative collaborations with domestic and international partners; facilitate strategic business mentoring; and invest $35 million over four years in talent to help create, grow and attract companies.	Support	N.A. for Ministry
44	PROMOTE GREEN BUSINESSES 78. Use government procurement to encourage the greening of businesses, products and processes and allocate $20 million per year to support the adoption of green technology.	Partial lead/ support	Unfunded
63	PROMOTE EFFICIENCY 120. Ensure that new buildings are energy efficient; and, introduce measures to ensure that the upfront cost of an energy efficiency upgrade does not form a barrier to retrofitting existing homes and commercial facilities.	Lead for core government buildings	Partially Funded
69	INVEST IN CLEAN TECHNOLOGY 146. Promote investment in clean transportation initiatives and technology that creates jobs and economic activity without increasing	Support	N.A. for Ministry

Page	Commitment	Role	Funding
	greenhouse gas emissions.		
70	INTEGRATE SUSTAINABILITY INTO PLANNING 147. Develop sustainability criteria, including consideration of cumulative impacts, that will be applied to all future capital projects including transportation infrastructure investments.	Partial lead for core government vertical construction	Partially funded
70	ENSURE VALUE FOR MONEY 151. Request a full audit of projects carried out as Public Private Partnerships to determine whether they are cost effective.	Partially impacted	Unknown
70	REVIEW PLANNED CONSTRUCTION 152. Revisit the current capital investment plan and determine whether the current plan meets the priorities of the BC Greens, including those for construction of schools, seismic upgrading, investment in long term care beds and affordable housing.	Partial lead	Unknown
71	ENHANCE OUR NATURAL ASSETS 153. Invest up to $28 million over four years for recreation and tourism facilities in BC's parks and on public land.	N.A.	N.A.
77	Internal repurposing: $155M 2017/18; $340M 2018/19; $420M 2019/20; $460M 2020/21 We have committed to reviewing the current government's capital plan and to determine whether all planned capital expenditures align with our priorities. This will dictate how much additional borrowing will be required, if any, for capital purposes.	Partial lead for MCS projects	Unknown

MCS - NDP Platform Commitments (UPDATED)

	Platform Commitment	Ministry currently responsible	Implementation Strategies
	Investing in research and technology p34		
76	Partner with universities throughout BC to build technology and innovation centres in key areas of BC's economy.	AVED JTST MCS	s.13
	Expanding skills training and apprenticeships p35		
80	Partner with First Nations to increase the number of skilled First Nations and mandate local hiring on government projects.	MARR JTST AVED MCS	A range of post-secondary, training and apprenticeship programs exist to support Aboriginal learners with positive indications of success. Details on these programs are available from the three ministries noted and, with additional or re-prioritized resources, more can be done. This commitment is consistent with commitment 255. s.13

			s.13
	Creating technology infrastructure and innovation centres p55		
152	Help inspire innovation by partnering with universities, colleges, technical institutions and businesses to build and fund specialized innovation centres in the interior and northern BC that will help us grow and strengthen our traditional industries, like mining, agriculture and forestry.	MCS AVED JTST	s.13
	Creating technology infrastructure and innovation centres p55		

153	Work with interior and northern communities to ensure they have the technology infrastructure they need to attract and support technology companies and to create good jobs for tech workers, locally.	MCS	s.13
	PowerBC Means Good Jobs, Lower Costs, Less Carbon p63		
	Starting with saving your tax dollars p64		
181	Invest in public building upgrades will have immediate benefits to the climate and to government's bottom line. For every one per cent improvement in energy efficiency, we can save over $4 million in energy costs per year.	MCS	MITCS has an ongoing modest program to increase energy efficiency in its portfolio of government buildings. Additional investments can be made to fast track the program for its portfolio. .A funding plan will be developed. Note: MCS is not responsible for public buildings in the SUCH sector and Crown Corporations.
	Good Jobs and Innovation in BC Tech p65		
185	Support growth in the tech sector with strategic investments in infrastructure, developing and attracting world class talent and by doing more to encourage venture capital to invest in BC startups. Use BC's excellent software firms to deliver major development projects for government.	JTST MCS	Develop Innovation Commission and build on existing investments in infrastructure s.13 s.13 As co-Chair of the FPT Ministers of Innovation and Economic Development table, JTST will coordinate and support the province's participation at the proposed November 2017 Ministers' meeting, including driving BC's priorities with the federal government (Canada Innovation and Skills Plan) in support of growth in the tech sector.
	Investing in developing and attracting world class talent p67		
188	Appoint a Chief Talent Officer who will bring focus to government's efforts to train, repatriate and recruit the talent necessary for our tech sector to grow.	MCS BCPSA	s.13
	Investing in developing and attracting world class talent p67		
190	Work to close the digital divide, increasing the participation of women, First Nations and people from low-income families in the high	MCS JTST	JTST will undertake a review of post-secondary and skills-based training programs that support increased

	technology workforce.	AVED	labour market participation for women, First Nations, and other groups, summer 2017. s.13
	Creating better access to capital p69		
194	Offer networking grants to start-ups and early stage companies to allow startups to attend investor conferences and networking events, with the intent of bringing investment home to BC.	MCS	s.13
	Create local markets for IT and software development p70		
195	Bring in a cap on the value and the length of government IT contracts to save money, increase innovation, improve competition and help our tech sector grow.	MCS	s.13
196	Make government IT and software development procurement work better for companies that hire locally and have a local supply chain.	MCS	
197	Partner with local governments in northern and rural communities to ensure local digital infrastructure is affordable accessible and business ready, and that innovation is driving job growth in local industries.	MCS	
	Create local markets for IT and software development p70		
198	Create new innovation centres across the province, in partnership with universities and with all five components of our tech sector—clean tech, digital media, engineering, information and communications technology, and life sciences.	AVED MCS JTST	s.13

			s.13
	Good Jobs in a Renewed Forest Industry p70		
	Expanding markets for BC wood products at home and abroad p71		
199	Maximize the use of innovative BC wood products in infrastructure projects, like schools, hospitals and rental housing construction and ask the federal government to do the same.	MCS	s.13

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

Programs:

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





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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.





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.

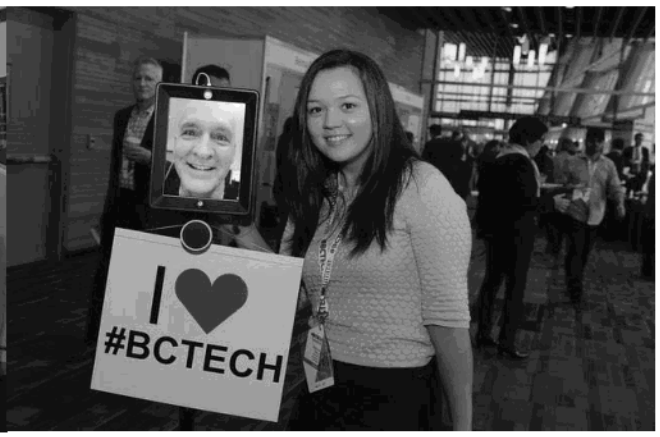
There is a need to bring technology innovations to traditional industries including forestry, mining, oil and gas, and agrifoods, as well as clean technology, health and life sciences, digital media and information and communication technologies. By scaling our programs to meet the growing needs of the 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.[1]	61	87	89	89	89

Data Source: Progress reports from program partners.

[1] This measure presents an overall score out of a possible 100 points. The score is determined by a set of indicators identifed by BCIC as important elements for a venture to progress.

[2] 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.

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 confirm programs have a high value impact in advancing their technology venture. [1]	94%	90%	90%	90%	90%

Data Source: Progress reports from program partners.

[1] 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.[1]	93%	93%	93%	93%	93%

Data Source: Progress reports from program partners.

[1] 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[1].	N/A	75%	75%	75%	75%

Data Source: Future progress reports from program partners.

[1] 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 employement 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 techology 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

(In $ thousands)	Actual 2015/2016	Budget 2016/2017	Forecast 2017/2018	Forecast 2018/2019	Forecast 2019/2020
Revenue					
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
Total Revenue	12,255	11,652	23,771	10,756	10,479
Expenses					
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
Total Expenses	12,228	11,652	23,771	10,756	10,479
Net Income	27	0	0	0	0
Accumulated Surplus (4)	56,480	56,480	56,480	56,480	56,480
Capital Expenditures (5)	89	50	50	50	50

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.

	Actual	Budget	Forecast	Forecast	Forecast
(In $ thousands)	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
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
• 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.	• BCIC uses course materials developed for entrepreneurial education. BCIC programs are customized for the BC context by local organizations like ACETECH, 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.
• 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.	• 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 BC Acceleration Network partners to develop sustainability plans to address future funding issues, which may include less financial support from BCIC.

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

1. Talent	**Points***
Basic Threshold: 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
Q 1: Company gained increased number of staff as a result of the program	+20
Q 2: Company gained increased and needed expertise on staff as a result of the program	+20
Q 3: Company determined necessary HR capabilities to attract, develop and retain talent	+20
2. Capital	**Points***
Basic Threshold: 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
Q 1: Company increased access to existing capital as a result of the program	+20
Q 2: Company gained access to new capital as a result of the program	+20
Q 3: Company determined best approach to financing for the acquisition of capital	+20
3. Markets	**Points***
Basic Threshold: 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
Q 1: Company gained increased share of existing market as a result of the program	+20
Q 2: Company gained channels to new market(s) as result of the program	+20
Q 3: 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.

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 Taypayer 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.[1]	56	56	65	61*	87	89

Data Source: Progress reports from program partners.

[1] 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.[1]	82%	88%	92%	90%	94%*	90%	90%

Data Source: Progress reports from program partners.

[1] 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.[1]	99%	87%	90%	93%*	90%	90%

Data Source: Progress reports from program partners.

[1] 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	BUDGET VARIANCE	YEAR VARIANCE
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	BUDGET VARIANCE	YEAR VARIANCE
NRAS Endowment Fund	50,000	50,000	50,000	50,000	50,000	50,000	50,000	0	0
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

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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.

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 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.

KPMG LLP

Chartered Professional Accountants

May 10, 2016
Burnaby, Canada

Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
Financial Assets		
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
Liabilities		
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
Net Financial Assets	6,169,611	6,185,390
Non-Financial Assets		
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

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

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

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

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

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

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:

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

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

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
www.bcic.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.	• The BC Acceleration Network gained two new partners in 2015/16: Bioenterprise BC and e@UBC. There are now 14 delivery partners. • BCIC launched two new co-op programs, the Innovator Skills Initiative and the BC Tech Co-op Grants Program. • 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.
Align with the BC Technology Strategy which recognizes that technology enables growth in all sectors.	BCIC activities are aligned with the actions outlined in the BC Technology Strategy. Specifically, BCIC: • Provided commercialization and entrepreneurship support through BCIC's Venture Acceleration Program. • Facilitated the expansion and ongoing development of regional innovation networks, including the BC Acceleration Network. • Focused on offering opportunities for students to gain hands-on experience in a startup environment. • Increased focus on driving commercialization of technologies that will support priority industries in which BC has a competitive advantage.

Appendix C: Strategic Engagement Plan

BRITISH COLUMBIA

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.

BRITISH COLUMBIA

January 13, 2017 Ref #: 105535

Derek F. Lew, Board Chair
British Columbia Innovation Council
9th 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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Ministry of Technology, Innovation and Citizens' Services

Office of the Minister

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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

…/4

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

Attachment

B.C. Taxpayer Accountability Principles		
Further information available at: **http://gov.bc.ca/crownaccountabilities**		
1	**Cost Consciousness (Efficiency)**	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	**Accountability**	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	**Appropriate Compensation**	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	**Service**	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	**Respect**	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	**Integrity**	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.

BC INNOVATION COUNCIL

Board of Directors and Executive Team

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 articled 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 Torys 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 multi-national. 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).

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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

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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)
Total Revenues	$12,939	$12,670	$12,230	$12,110	$11,993
Total Expenses	$12,125	$12,510	$12,358	$12,305	$12,178
Surplus from Operations	$814	$160	($128)	($195)	($185)
Endowment Contributions	$766	$725	$400	$400	$400
Debt	--	--	--	--	--
Capital Assets and Broadcast Rights Acquired	$4,316	$4,171	$3,634	$3,500	$3,500
Accumulated Surplus	$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

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

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.



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 4th 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.[1]
    - Consolidation of ownership by vertically integrated companies[2] 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.

[1] Blackbaud Index Canada notes giving in Canada is down -5.8% YOY as of September 2016.

[2] 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
DIRECT INVESTMENT IN MULTI-PLATFORM CONTENT[3]	$1,085,582	$1,260,922	$1,400,000	$1,500,000	$1,700,000
INDIRECT INVESTMENT IN MULTI-PLATFORM CONTENT (FROM INDEPENDENT PRODUCTION FUNDS)[4]	$1,211,584	$1,369,010	$1,000,000	$1,350,000	$1,500,000
B.C. INDEPENDENT PRODUCTION BUDGETS SUPPORTED BY KNOWLEDGE NETWORK[5]	$9,772,234[6]	$5,856,223	$3,000,000[7]	$3,500,000	$4,000,000

[3] 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.
[4] 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.
[5] 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.
[6] 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.
[7] 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 the150th 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
TOTAL REACH[8] (PEOPLE)	**Knowledge Primetime**	2,373,000	2,400,000	2,300,000	2,300,000	2,300,000
	Knowledge Kids[9]	1,637,000	1,500,000	1,500,000	1,400,000	1,400,000
AVERAGE WEEKLY HOURS VIEWED[10]	**Knowledge Primetime**	1,329,015	1,300,000	1,250,000	1,250,000	1,250,000
	Knowledge Kids	438,421	375,000	375,000	350,000	350,000

[8] 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.
[9] The 2-8 demographic are consuming more content on other platforms (desktop computers, mobile and tablets).
[10] 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[11]	**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	**1,946,819**	**2,000,000**	**2,100,000**	**2,200,000**	**2,300,000**
PAGE VIEWS[12]	**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	**6,847,595**	**9,300,000**	**10,000,000**	**10,400,000**	**10,800,000**

App Channels

Performance Measures		2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
APP SESSIONS[13]	**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	**376,676**	**1,095,000**	**1,205,000**	**1,235,000**	**1,265,000**
SCREEN VIEWS[14]	**Knowledge App**	113,041	230,000	270,000	310,000	350,000
	Knowledge Kids Go	3,886,263	12,000,000[15]	12,750,000	13,250,000	13,500,000
	TOTAL	**3,999,304**	**12,230,000**	**13,020,000**	**13,560,000**	**13,850,000**

Community Outreach

Performance Measures	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
B.C. COMMUNITY EVENTS	17[16]	10	10	10	10
BRITISH COLUMBIANS ATTENDING COMMUNITY EVENTS (ESTIMATED NUMBER OF PEOPLE)	5,290[17]	2,553	2,500	2,500	2,500

[11] Period of interaction between visitor's browser and website, ending when browser is closed. Measured using Google Analytics.
[12] 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.
[13] 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.
[14] The total number of screens viewed. Repeated views of a single screen are counted. Measured using Google Analytics.
[15] 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.
[16] 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.
[17] 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 4th 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
KNOWLEDGE PARTNER DONATIONS[18]	$4,020,000	$4,100,000	$4,000,000	$4,000,000	$4,000,000
ENTREPRENEURIAL AND OTHER REVENUES[19]	$550,000	$400,000	$400,000	$475,000	$475,000

[18] Measured by tracking total Knowledge Partners donations received annually.
[19] 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[20]	345	60	45	45	60
Total Revenues	**12,939**	**12,670**	**12,230**	**12,110**	**11,993**
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[21]	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
Total Expenses	**12,125**	**12,510**	**12,358**	**12,305**	**12,178**
Annual Surplus from Operations	**814**	**160**	**(128)**	**(195)**	**(185)**
Endowment Contributions Received (held in trust)[22]	766	725	400	400	400
Annual Surplus	**1,580**	**885**	**272**	**205**	**215**
Total Liabilities	3,234	3,500	3,500	3,500	3,500
Accumulated Surplus (Invested in Broadcast Rights & Capital Assets, Endowment Fund)	**15,571**	**16,456**	**16,728**	**16,932**	**17,147**
Capital Expenditures	4,316	4,171	3,634	3,500	3,500

[20] Includes channel management fee and unrealized and realized investment income.
[21] Includes amortization of equipment.
[22] 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
Net Income	**504**	**315**	**112**	**31**	**20**

Knowledge Network Corporation

2015/16
ANNUAL SERVICE PLAN REPORT



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Knowledge.ca

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.



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



Rudy Buttignol, C.M.
President & CEO

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.

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.

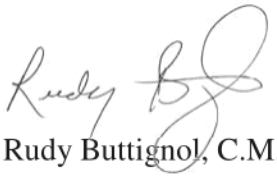
The systems and structures we have in place ensure British Columbians receive an efficient, trusted broadcast service that provides valuable content in the public interest.

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.*[1]

3. *Develop a mobile app and second generation website for young children and parents.*

4. *Self-finance and upgrade digital broadcast infrastructure.*

[1] 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
TOTAL REACH[2] (TV Audience)	Knowledge Primetime	2,483,000	2,637,000	2,560,000	2,275,000	**2,373,000**	2,275,000	2,275,000
	Knowledge Kids	1,775,000	1,842,000	1,800,000	1,600,000	**1,637,000**	1,500,000	1,500,000
AVERAGE WEEKLY HOURS VIEWED[3]	Knowledge Primetime	1,210,870	1,454,410	1,450,250	1,400,000	**1,329,015**	1,350,000	1,350,000
	Knowledge Kids	307,740	468,546	510,862	450,000	**438,421**	400,000	375,000
WEB VISITS[4]	Knowledge.ca	903,650	1,044,827	1,213,420	1,000,000	**1,461,649**	1,600,000	1,700,000
	KnowledgeKids.ca	477,237	398,926	255,110	225,000	**485,170**	525,000	550,000
	TOTAL	1,380,887	1,423,753	1,468,530	1,225,000	**1,946,819**	2,125,000	2,250,000
WEB PAGE VIEWS[5]	Knowledge.ca	3,009,248	5,249,000	5,428,752	4,600,000	**5,578,593**	5,700,000	5,800,000
	KnowledgeKids.ca	929,951	732,203	575,799	450,000	**1,269,002**	2,750,000	3,000,000
	TOTAL	3,939,199	5,981,203	6,004,551	5,050,000	**6,847,595**	8,450,000	8,800,000
TOTAL HOURS ON SITE[6]	Knowledge.ca	252,617	373,061	457,955	400,000	**564,636**	600,000	650,000
	KnowledgeKids.ca	138,105	124,633	80,440	70,000	**130,526**	180,000	200,000
	TOTAL	390,722	497,694	538,395	470,000	**695,162**	780,000	850,000

[2] 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.
[3] 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.
[4] Period of interaction between visitor's browser and a website, ending when the browser is closed. Measured using Google Analytics.
[5] 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.
[6] 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
BUDGET COMMITMENT TO ORIGINAL MULTI-PLATFORM CONTENT[7]	$850,000	$960,280	$1,291,340	$950,000	**$1,085,582**	$1,000,000	$1,000,000
B.C. INDEPENDENT PRODUCTION BUDGETS SUPPORTED BY KNOWLEDGE NETWORK[8]	$2,300,000	$12,000,000[9]	3,231,450	$2,400,000	**$9,772,234**[10]	$2,450,000	$2,450,000

[7] Knowledge Network funding of independent productions of original content for television and other media platforms.

[8] 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.

[9] Reflects the budget for an international, animated children's co-production supported by Knowledge Network.

[10] 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[11]	8	15	9	8	**17**	8	8
REGISTERED USERS ON KNOWLEDGE.CA[12]	N/A	BENCHMARK YEAR	2661	2,000	**11,129**	12,000	13,000
NUMBER OF GAMES PLAYED AT KNOWLEDGEKIDS.CA[13]	539,112	464,474	384,086	300,000	**375,613**	400,000	450,000

[11] Number of events hosted and sponsored by Knowledge Network in B.C. communities

[12] Number of registered users on Knowledge.ca

[13] 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[14]	N/A	66%	66%	66%	**66%**	66%	66%

[14] 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
KNOWLEDGE PARTNER DONATIONS[15]	$3,413,181	$3,490,069	$3,889,552	$3,500,000	**$4,020,000**	$3,900,000	$3,900,000
OTHER BUDGETED REVENUES[16]	$350,000	$550,000	$550,000	$550,000	**$550,000**	$550,000	$550,000

[15]Measured by tracking total Knowledge Partners donations received annually.

[16] 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 *Emergency Room: Life and Death at VGH*	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
Total	177,593

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
Total	98,140

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	239,196

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	171,799

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	447,126

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
Total Revenues	**9,965**	**11,498**	**11,938**	**12,079**	**12,730**	**12,186**	**12,939**	**758**	**213**
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
Total Expenses	**10,085**	**10,632**	**11,063**	**11,737**	**11,704**	**12,076**	**12,125**	**49**	**421**
Annual Surplus from Operations	**(120)**	**865**	**875**	**342**	**1,026**	**110**	**814**	**708**	**(208)**
Endowment Contributions	282	209	298	338	1,149	**300**	**766**	466	(383)
Annual Surplus	**162**	**1,074**	**1,172**	**680**	**2,175**	**410**	**1,580**	**1,174**	**(591)**
Capital Expenditures	3,261	3,261	4,280	4,478	3,355	**3,539**	**4,316**	777	961
Total Liabilities	4,546	4,811	4,399	3,659	3,684	**-**	**3,234**	-	-
Accumulated Surplus	8,890	9,964	11,137	11,817	13,991	**14,401**	**15,571**	-	-

Consolidated Financial Statements of

KNOWLEDGE NETWORK CORPORATION

Year ended March 31, 2016



KPMG LLP
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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.

KPMG

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.

KPMG LLP

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

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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.

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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.

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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.

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KNOWLEDGE NETWORK CORPORATION

Notes to Consolidated Financial Statements

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

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

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

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
	$ 5,226,912	$ 3,298,713

	2016	2015
Portfolio investments	$ 1,261,853	456,381
Endowment investments	3,965,059	2,842,332
	$ 5,226,912	$ 3,298,713

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	$ 1,295,903	$ 1,480,796

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

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

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:

Programing 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

11. Pensions:

The Corporation and its employees contribute to the College Pension Plan and Municipal Pension Plan ("The Plans"), jointly trusteed 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	53,852
	$ 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

	2014/15 Actual	2015/16 Budget	2015/16 Actual
Revenue from Subsidiary Operations	1,546	1,563	**1,483**
Expenses from Subsidiary Operations	1,042	1,157	**1,034**
Net Subsidiary Operations	504	406	**449**

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.
• Seniors' demographic shifts	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: ***Pipers of the Trenches*** - 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 ***Last Tango in Halifax*** – Two widows in their 70s, fall for each other all over again when they are reunited on the Internet after nearly 60 years. ***Alfred and Jakobine*** – In 1954 Alfred and Jakobine journeyed around the world in a London taxi and at 84, are hoping for one last ride.
• Early learning initiatives	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: ***Kate & Mim-Mim***, ***Lah's-Lah's Adventures***, ***Paw Patrol*** and ***Wild Kratts***.
• Asian trade and cultural awareness	Continued to acquire content from the Asia Pacific region for our East is East branded strand. Highlights include: ***The Birth of Modern China*** – A 27-week anthology series exploring how a once feudal society is becoming the world's dominant economy.

	China's Capitalist Revolution – The story of the conversion of the Chinese Communist Party to capitalism; ***Building 173*** – The history of Shanghai through the history of one building**;** ***The Art of China*** – Explores the historical context of Chinese art; ***The Fastest Changing Place on Earth*** – The story of modern China told through the eyes of villagers.
• Health care sustainability	Continued to acquire content for television, the web and mobile platforms that educates British Columbians about healthy living. Highlights include: ***How to Survive a Plague*** – The story of activism and innovation that turned AIDS into a manageable condition; ***Chi*** – Actress Babz Chula travelled to India to undergo treatment in an effort to manage her battle with cancer; ***When I Walk*** – A young man's determination to triumph over MS and to make sense of a devastating disease through the art of cinema; ***Medieval Lives – A Good Birth*** – The moment of labour and birth was a very dangerous time for a medieval woman.
• First Nations culture and issues	Continued to showcase aboriginal programming from local, national, and global perspectives. Highlights include: ***Haida Gwaii: On the Edge of the World*** - 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. ***Dreamers and Dissidents: Sophie Pierre –*** 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.

	The People of the Kattawapiskak River – Exposes the housing crisis and poor living conditions faced by 1,700 Cree in northern Ontario; ***Vanishing Point*** – Two Inuit communities navigate through the greatest social and environmental challenges in their history.
• Environmental challenges	Continued to educate British Columbians on challenges facing the environment. Highlights include: ***The Polar Sea*** – Scientists try to understand the complex phenomenon of Arctic climate change; ***Chasing Ice*** – One man's mission to gather undeniable photographic evidence of our changing planet; ***Green China Rising*** – China is the world's largest emitter of greenhouse gases and it is striking back with cutting-edge technologies; ***The Water Brothers*** – Travel around the world to discover the challenges surrounding water conservation; ***Revenge of the Electric Car*** – Follows the race to build the next generation of electric cars.
• Economic issues	Continued to acquire and broadcast documentaries on economic issues from a local, national and global perspective. Highlights include: ***China on Four Wheels*** - How the country's massive economic growth and booming car industry are affecting people's lives; ***Inside Job*** – A comprehensive analysis of the global financial crisis of 2008; ***Enron: The Smartest Guys in the Room*** – How top executives of America's seventh largest company walked away with more than one billion dollars, while investors and employees lost everything.
2. Launch a new, multi-platform documentary series on B.C. paramedics in partnership with B.C.'s independent television and interactive producers.	With the success of ***Emergency Room: Life and Death at VGH*** 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.

3. Develop a mobile App and 2nd generation website for young children and parents.	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.
4. Self-finance and upgrade digital broadcast infrastructure	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.

BRITISH COLUMBIA

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 delivery1 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.

…/2

Ministry of Technology, Innovation and Citizens' Services

Office of the Minister

Mailing Address:
PO Box 9068 Stn Prov Govt
Victoria BC V8W 9E2

Phone: 250 952-7623
Fax: 250 952-7628

Location:
Room 346
Parliament Buildings
Victoria BC V8V 1X4

www.gov.bc.ca/citz

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,



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

Attachment

B.C. Taxpayer Accountability Principles		
Further information available at: **http://gov.bc.ca/crownaccountabilities**		
1	**Cost Consciousness (Efficiency)**	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	**Accountability**	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	**Appropriate Compensation**	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	**Service**	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	**Respect**	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	**Integrity**	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

Debbie MacMillan, Secretary
Knowledge Network Corporation
Board of Directors

Wendy Heshka, Vice Chair
Knowledge Network Corporation
Board of Directors

Anne McMullin, Director
Knowledge Network Corporation
Board of Directors

Chamkaur Cheema, Director
Knowledge Network Corporation
Board of Directors

Sheila Orr, Director
Knowledge Network Corporation
Board of Directors

Tony Knox, Director
Knowledge Network Corporation
Board of Directors

Stacy Shields, Director
Knowledge Network Corporation
Board of Directors

Jan Lindsay, 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.

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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

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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;

"chief executive officer" means the person appointed under section 9;

"corporation" means the Knowledge Network Corporation continued under section 2;

"director" means a member of the board.

Corporation continued

2 (1) The Open Learning Agency is continued as a corporation under the name Knowledge Network Corporation, consisting of a board of directors appointed under section 5.

(2) Subject to this Act, the corporation has the powers and capacity of an individual of full capacity.

(3) The corporation may, for the purposes of this Act,

(a) subject to the approval of the Lieutenant Governor in Council,

(i) borrow money, and

(ii) incorporate or acquire a subsidiary as defined in the *Business Corporations Act*, and

(b) subject to the approval of the minister, dispose of real property.

(4) The corporation is not an agent of the government.

Application of other Acts

3 (1) Subject to an order under subsection (2), the *Business Corporations Act* does not apply to the corporation.

(2) The Lieutenant Governor in Council may, by order, direct that some or all of the *Business Corporations Act* or the *Societies Act* applies to the corporation.

(3) [Repealed 2015-27-45.]

Purposes of corporation

4 The purposes of the corporation, as British Columbia's public education broadcaster, are to

(a) carry on the business of broadcasting and communications to provide unique, quality educational programming to British Columbians,

(b) promote life-long learning in British Columbia by providing quality educational programming,

(c) inform and educate British Columbians about their province and about issues that are relevant to them,

(d) provide British Columbians with a unique television experience, and

(e) collaborate with the independent television and web media production sectors in British Columbia.

Board

5 (1) The corporation must be managed by a board of directors consisting of no more than 11 persons appointed by the Lieutenant Governor in Council.

(2) A person may be appointed as a director for a term of up to 3 years and may be reappointed.

(3) The chair of the board is a director who

(a) is designated as chair by the minister, or

(b) is appointed by the board under the bylaws of the corporation if a chair is not designated under paragraph (a).

(4) The board must elect a vice chair from among the directors in accordance with the bylaws of the corporation.

(5) The chair is to preside at all meetings of the board, but in the absence of the chair the vice chair must preside.

(6) In the absence of the chair and the vice chair, the directors who are present must designate one of those present to preside.

Board remuneration

6 The corporation may pay to a director

(a) an allowance set by the minister for reasonable travelling and incidental expenses necessarily incurred in carrying out the business of the corporation, and

(b) remuneration at rates set by the minister.

Meetings and quorum

7 (1) The board must meet at least 4 times a year.

(2) A majority of the directors holding office constitutes a quorum at meetings of the board.

(3) The affirmative votes of the majority of the directors present at a meeting of the board at which a quorum is present are sufficient to pass a resolution or bylaw of the corporation.

(4) A director may participate in, and vote at, a meeting of the board

(a) in person, or

(b) by telephone or other communications medium if all directors participating in the meeting, whether by telephone, by other communications medium or in person, are able to communicate with each other.

(5) A director who participates in a meeting in a manner contemplated by subsection (4) (b) is deemed to be present at the meeting.

Duties and powers of board

8 (1) The board must manage the affairs of the corporation or supervise the management of those affairs and may

(a) exercise the powers conferred on it by this Act, and

(b) exercise the powers of the corporation on behalf of the corporation.

(2) The board may pass the resolutions or bylaws it considers necessary or advisable for the management and conduct of the affairs of the corporation and the exercise of the powers and duties of the board.

(3) Without limiting subsection (2), the board may pass resolutions or bylaws respecting the calling and holding of meetings of the directors and the procedures to be followed at the meetings.

(4) The board may establish committees of the board to assist the board.

(5) For the purposes of subsections (1) and (2), the board may, by resolution or bylaw, delegate a power, function or duty of the board or of the corporation, except

(a) the power to establish committees of the board, and

(b) the power to pass resolutions or bylaws respecting the procedures to be followed at board meetings.

Chief executive officer

9 (1) The board must appoint a person as the chief executive officer of the corporation.

(2) The board may determine the remuneration of the chief executive officer.

(3) The chief executive officer is responsible for general supervision and direction of the operations of the corporation and its staff, and must carry out those functions and perform those duties that are specified in the resolutions of the board.

Officers and employees

10 The chief executive officer may appoint those officers and employees of the corporation that are necessary to carry on the business and operations of the corporation and may define their duties.

Investment powers

11 (1) The corporation may invest money that belongs to it and is available for investment, but the investment may be made only as permitted under the provisions of the *Trustee Act* respecting the investment of trust property by a trustee.

(2) Nothing in this section precludes the corporation from holding a security donated to it or from carrying out the terms of a deed of trust respecting a security.

Limitation on deficits

12 The corporation must not, without the prior approval of the Minister of Finance and the minister, incur a deficit for a fiscal year, as determined in accordance with generally accepted accounting principles.

Control on expenditure for benefits

13 (1) If the services of employees of the corporation are withheld, or the corporation locks out the employees, as a consequence of a dispute or other disagreement between the corporation and employees of the corporation,

(a) the total of unexpended amounts of the operating grant made by the government to the corporation in the fiscal year is reduced by the value of the benefits, and

(b) the amount of the reduction calculated under paragraph (a) is a debt due and owing to the government and must be

(i) paid by the corporation to the government, or

(ii) withheld by the minister from future operating grants to the corporation in the fiscal year or a future fiscal year.

(2) In subsection (1) (a), **"value of the benefits"** means the value of the benefits the employees would receive for the period of the withholding or lockout in the fiscal year if the employees had worked, less the costs necessarily incurred by the corporation as a consequence of the withholding or lockout and approved by the minister.

Financial administration

14 (1) The corporation 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 the period or to the date that minister designates.

(2) All books or records of account, documents and other financial records must at all times be open for inspection by the minister responsible for the administration of this Act or a person designated by the minister responsible for the administration of this Act.

(3) The Minister of Finance may direct the Comptroller General to report to Treasury Board on any aspect of the financial administration of the corporation.

(4) Unless the Auditor General is appointed in accordance with the *Auditor General Act* as the auditor of the corporation, the corporation must appoint an auditor to audit the accounts of the corporation at least once each year.

(5) The fiscal year of the corporation begins on April 1 in each year and ends on March 31 in the following year.

(6) The Minister of Finance is the fiscal agent of the corporation.

Section 5 of the *Offence Act* does not apply

15 Section 5 of the *Offence Act* does not apply to this Act.

Power to make regulations

16 (1) The Lieutenant Governor in Council may make regulations referred to in section 41 of the *Interpretation Act*.

(2) Without limiting subsection (1), the Lieutenant Governor in Council may make regulations defining a word or expression used but not defined in this Act.

Transitional Provisions

Transitional — Open Learning Agency board

17 On the coming into force of this section and the repeal of section 5 of the *Open Learning Agency Act*, R.S.B.C. 1996, c. 341,

(a) a member of the board of the Open Learning Agency who holds an appointment under section 5 of the *Open Learning Agency Act*, immediately before the repeal of section 5 of that Act, is a director of the board of the corporation until the end of the term specified in his or her appointment or until a successor is appointed under section 5 (1) of this Act,

(b) the chair of the board of the Open Learning Agency who holds an appointment under section 5 of the *Open Learning Agency Act*, immediately before the repeal of section 5 of that Act, is the chair of the board of directors of the corporation until the end of the term specified in his or her appointment as chair or until a successor is designated or appointed under section 5 (3) of this Act, and

(c) despite section 5 (4) of this Act, immediately after the coming into force of this section, the chair must select a person referred to in paragraph (a) to be the first vice chair of the board, who is to serve as vice chair until a successor is elected under section 5 (4) of this Act.

Repealed

18 [Repealed 2007-22-18 (3).]

Repeal — *Open Learning Agency Act*

19 The *Open Learning Agency Act*, R.S.B.C. 1996, c. 341, may be repealed by regulation of the Lieutenant Governor in General.

Repeals and Consequential Amendments

[Note: See Table of Legislative Changes for the status of sections 20 to 26.]

Section(s)	Affected Act
20	*Advanced Education Statutes Amendment Act, 2003*
21	*Financial Administration Act*

22 *Financial Information Act*
23 *Freedom of Information and Protection of Privacy Act*
24 *Libel and Slander Act*
25 *Open Learning Agency Repeal Act*
26 *School Act*

Commencement

27 The provisions of this Act referred to in column 1 of the following table come into force as set out in column 2 of the table:

Item	Column 1 **Provisions of Act**	Column 2 **Commencement**
1	Anything not elsewhere covered by this table	The date of Royal Assent
2	Sections 1 to 18	By regulation of the Lieutenant Governor in Council
3	Sections 20 to 24	By regulation of the Lieutenant Governor in Council
4	Section 26	By regulation of the Lieutenant Governor in Council

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TELECOMMUNICATIONS – KEY STAKEHOLDERS

Branch	Organization	Contact	Description	Key Issues	Address
Network BC	**All Nations Trust Company**	Paul Donald Chief Executive Officer 778-471-4110 Pauld@antco.bc.ca Ruth Williams Project Manager, Pathways to Technology 250-371-7452 ruth-williams@outlook.com ruth.williams@pathwaystotechnology.ca	Leads the Pathways to Technology Project managed by the All Nations Trust to bring affordable high-speed Internet to all 203 First Nations in B.C.	Affordability of monthly Internet costs for small rural and remote First Nations communities.	520 Chief Eli LaRue Way Kamloops, BC V2H 1H1
Network BC	**BC Broadband Association**	Bob Allen President 250-992-1230 info@bcba.ca	Members are telecommunication service providers and equipment suppliers that deliver networking services and infrastructure throughout of B.C.	Providing Internet services in rural British Columbia.	c/o ABC Communications 248 Reid St. Quesnel, BC V2J 2M2
OCIO	**BCNET**	Bala Kathiresan President and Chief Executive Officer 604-822-1348 info@bc.net	A federally incorporated, not-for-profit shared information technology services organization providing network services to all public, post-secondary institutions in the province.	Continue to leverage its network for higher education institutions and improve research network planning.	Suite 750 - BCIT Downtown 555 Seymour Street Vancouver, BC V6B 3H6

Branch	Organization	Contact	Description	Key Issues	Address
Network BC	**BCE and Bell Canada**	George Cope President & Chief Executive Officer 888-932-6666 bcecomms@bce.ca	Canadian telecommunications and media company headquartered in Montreal, Quebec.	Corporate Supply Arrangement in place for cellular services. Competitor to TELUS.	1 Carrefour Alexander Graham Bell Building A, 4th Floor Verdun, Québec H3E 3B3
Network BC	**Columbia Basin Trust (CBT) and Columbia Basin Broadband Corporation (CBBC)**	Johnny Strilaeff President and Chief Executive Officer of CBT 800-505-8998 ceo@cbt.org Aimee Ambrosone Chief Operating Officer of CBBC 250-304-1626 aambrosone@cbt.org	Columbia Basin Broadband Corporation is a wholly owned subsidiary of Columbia Basin Trust created to improve connectivity to Basin communities and rural areas.	Make high-speed Internet connectivity available throughout the Kootenay-Boundary region.	445 – 13th Ave. Suite 300 Castlegar, BC V1N 1G1
Network BC	**CityWest Cable and Telephone Corp.**	Chris Marett Chief Executive Officer 250-627-0925 chris.marett@cwct.ca	A telephone, Internet and TV provider based out of Prince Rupert.	Competing with TELUS in northwest B.C.	248 3rd Ave. Prince Rupert BC V8J 1L1
Network BC	**Canadian Radio - telecommunications Commission (CRTC)**	Danielle May-Cuconato Secretary General Corporate Services and Operations 819-997-1027 Stephen B. Simpson Commissioner for British	An administrative tribunal that regulates telecommunications.	Modernizing telecommunications services and setting a new universal service objective for retail Internet services.	Physical Address: Les Terrasses de la Chaudière 1 Promenade du Portage Gatineau, Québec J8X 4B1 By mail:

Branch	Organization	Contact	Description	Key Issues	Address
		Columbia and Yukon 604-666-2914 Chris Seidl Executive Director of Telecommunications 819-956-4480		Modernizing 9-1-1 networks to meet the public safety needs of Canadians. Ongoing monitoring of regulatory changes and ongoing consultations.	Ottawa, Ontario Canada, K1A 0N2
OCIO	**Forrester Research Inc.**	Neil Harle Sr. Account Executive 888-326-4442 Nharle@forrester.com	Vendor	Provider of market research.	161 Bay Street, 27th Floor PO Box 508 Toronto, Ontario M5J 2S1
OCIO	**Gartner Canada Co.**	Peter MacKechnie Senior Managing Partner 613-696-0412 Peter.MacKechnie@gartner.com	Vendor	Provider of market research.	5000 Younge Street 14th Floor, Suite 1402 Toronto, Ontario M2N 7E9
OCIO	**IDC Canada**	Brian Howden Director Industry Insights 416-673-2273 bhowden@idccanada.com	Vendor	Provider of market research.	33 Younge Street Suite 420 Toronto, Ontario M5E 1G4
Network BC	**Northern Development Initiative**	Joel McKay Chief Executive Officer 250-561-2525	Established through acts of legislation, the Trust operates independently from	Administers the Connecting British Columbia program	301 – 1268 Fifth Avenue Prince George, BC V2L 3L2

Branch	Organization	Contact	Description	Key Issues	Address
	Trust	joel@northerndevelopment.bc.ca	government and provides funding and ability to identify and pursue new opportunities for stimulating economic growth and job creation.	province-wide, with provincial funds.	
Network BC	**Rogers Communications Inc.**	Joe Natale President and Chief Executive Officer 416-935-7101 Joe.natale@rci.rogers.com	A Canadian telecommunications and broadcasting company, providing high-speed Internet and cellular services, with a head office in Toronto, Ontario.	Corporate Supply Arrangement in place for cellular services. Competitor to TELUS.	333 Bloor Street East Toronto, Ontario M4W 1G9 Canada
Network BC	**Shaw Communications Inc.**	Bradley Shaw Chief Executive Officer 403-750-4500 Jim Patrick Vice President, Government Relations 613-688-6757 (Telephone) 613-762-3130 (Mobile) Jim.Patrick@sjrb.ca	A Canadian telecommunications company that provides telephone, Internet, television and mobile services backed by a fibre optic network. Headquartered in Calgary, Alberta.	Potential issue around loss of business/circuits over the past three years. Competitor to TELUS.	For Mr. Shaw: 630 3rd Avenue SW Calgary, Alberta T2P 4L4 For Mr. Patrick: 40 Elgin Street, Suite 1400 Ottawa, Ontario K1P 5K6

Branch	Organization	Contact	Description	Key Issues	Address
Network BC	**TELUS Communications Inc.**	Darren Entwistle President and Chief Executive Officer Josh Blair Executive Vice-President of TELUS Health, President of TELUS Business Solutions West & Chair, TELUS International Tony Geheran Executive Vice-President & President of Broadband Networks Navin Arora SVP-Business Solutions West & Business Customer Experience 403-530-5700 Navin.Arora@telus.com	Signatory to a 10 year Strategic Telecommunications Deal with the Province, Health Authorities and specific BPS Entities. Provides telecommunication voice and data network services to government and broader public sector.	Extension of its current Deal with the Province, which expires in July 2021.	For Mr. Entwistle: 510 West Georgia Street Vancouver, BC V6B 0M3
Network BC	**Xplornet Communications Inc.**	Bill Macdonald Executive Vice President of Business Development 403-804-3480 bill.macdonald@corp.xplornet.com James Maunder	Headquartered in Woodstock, New Brunswick, Xplornet is a broadband satellite service provider.	Administers the BC Broadband Satellite Initiative under a Cost Sharing Arrangement with the Province, which ends March 31, 2018.	For Mr. Macdonald: Unit 215 – 4000 4th Street SE Calgary, Alberta T2G 1Y6

Branch	Organization	Contact	Description	Key Issues	Address
		Vice President, Public Affairs and Communications 613-266-2250 James.Maunder@corp.xplornet.com			

REAL PROPERTY DIVISION – KEY STAKEHOLDERS

Branch	Organization	Contact	Description	Key Issues	Address
RPD	**Abbotsford Municipality/ City of Abbotsford**	Primary Contact: Henry Braun Mayor 604-864-5500 - Office mayorbraun@abbotsford.ca Secondary Contact: George Murray City Manager 604-864-5501 gmurray@abbotsford.ca	Abbotsford Courthouse	Development of new courthouse city is the landlord	City of Abbotsford 32315 South Fraser Way Abbotsford, BC V2T 1W7
RPD	**BC Emergency Health Services**	Primary: Carl Roy, Provincial Health Service Authority, CEO (BCEHS is under PHSA)	BCEHS provides emergency health services to the Province of British Columbia. RPD is under contract with BCEHS to provide Lease Negotiation services where required	None	2261 Keating X Road PO Box 9600, Stn Prov Govt Saanichton, BC V8M 2A5

Branch	Organization	Contact	Description	Key Issues	Address
RPD	**BC Housing**	Primary Contact: Shayne Ramsay CEO 604-439-4712 – Office s.22 Secondary Contact: Michael Flanigan Vice-President of Dev. & Asset Strategies 604-454-2043 mflanigan@bchousing.org	Owner of Riverview lands Coquitlam: Valleyview New Build	Construction begian in April 2017 Project Completion: Spring 2019 Key stakeholders: Ministry of Children & Families, KFN, Coquitlam city	1701-4555 Kingsway Burnaby, BC V5H 4V8
RPD	**City of Vancouver**	Sadhu Johnston City Manager 604-873-7627 sadhu.johnston@vancouver.ca	Robson Square Vancouver Art Gallery	City is creating a plaza on 800 Block Robson St.	453 -12th Ave Vancouver, BC V5Y 1V4
RPD	**City of Coquitlam**	Primary Contact: Mayor Richard Stewart rstewart@coquitlam.ca 604-927-3001 - Office s.22 Secondary Contacts:	Coquitlam: Valleyview New Build	Require issuance of permits required for construction: construction Building Permit Require approval	3000 Guildford Way Coquitlam, BC V3B 7N2

Branch	Organization	Contact	Description	Key Issues	Address
		Jim McIntyre General Manager 604- 927-3400 - Office s.22 JMcIntyre@coquitlam.ca		of variances	
RPD	**Interior Health Authority (IHA)**	Primary Contact: Chris Mazurkewich, President & CEO 250-469-7070 (main line)	Real Property Division provides real estate services for approximately 20 buildings for the Interior Health Authority. 10 Leased and 10 Owned. RPD provides recurring O&M services, and project management, in concert with our service provider, WSI.	Not fully utilizing the Province's Shared Services Facilities Model Lumby location is currently under review for quality of building Columbia Street Precinct is currently under review for strategic planning. IHA is a tenant.	519 Columbia St. Kamloops, BC V2C 2T8

Branch	Organization	Contact	Description	Key Issues	Address
RPD	**Jawl Properties**	Primary Contact: Robert Jawl rkj@jawlproperties.com s.22 www.jawlproperties.com	Capital Park New Buildings including TI's. First building nearing completon	First building will be ready for occupancy August 24, 2017. Second building to be delivered mid-2019. On track.	Jawl Properties Ltd. 3350 Douglas St. Suite 100 Victoria, BC V8Z 3L1
RPD	**Morguard Investments Limited**	Michael Walker General Manager, Office Industrial Division, British Columbia s.22 MWalker@morguard.com	Provincial landlord 865 Hornby Street, Vancouver & 4000 Seymour Place, Victoria, BC	Overall good landlord/tenant relations	Suite 400, 333 Seymour Street, Vancouver, BC V6B 5A6
RPD	**Northern Health Authority**	Primary Contact: Cathy Ulrich, President & CEO 250-565-2649 (main line) Secondary Contact: Lyndon Peterson Director of Leasing and Property Services s.22 lyndon.peterson@northernhealth.ca	RPD provides real estate services for approximately 50 buildings for the Northern Health Authority. RPD provides recurring O&M services, and project management, in concert with our service provider, WSI.	None	#300 – 299 Victoria Street Prince George, BC V2L 5B8

Branch	Organization	Contact	Description	Key Issues	Address
RPD	**Partnerships BC**	Primary Contact: Amanda Farrell, President & CEO 250-475-4668 (main line) Secondary Contact: Mark Liedemann Vice President, Projects s.22 Mark.Liedemann@partnershipsbc.ca	Nanaimo Correctional Centre; Abbotsford Courthouse; Surrey Courthouse	Provide advice and support to several major capital projects.	900-1285 West Pender Street Vancouver, BC V6E 4B1
RPD	**RCMP**	Primary Contact: Robert Jorssen Executive Director s.22 robert.jorssen@rcmp-grc.gc.ca Secondary Contact: Michelle Miller Regional Director RCMP Real Property Unit s.22 michelle.miller@rcmp-grc.gc.ca	RPD manages approximately 320 buildings for the RCMP. These properties include detachments in communities with less than 5,000 people, residences, District Offices, and the Pacific Regional Training Centre in Chilliwack. RPD provides recurring O&M services, and project management, in concert with our service provider, WSI.	Continue to enhance the relationship between RPD & RCMP Current client agreement with the RCMP to be updated in 2017/18	14200 Green Timbers Way Surrey, BC V2T 6P3

Branch	Organization	Contact	Description	Key Issues	Address
RPD	**City of Surrey**	Primary Contact: Mayor Linda Hepner mayor@surrey.ca 604-591-4126 - Office Secondary Contacts: Vincent Lalonde City Manager 604-591-4122	Surrey Courthouse Renovation and Expansion Project	Project going well. Key stakeholders: Ministry of Justice and local court staff. Project is within defined scope, on schedule and budget	City of Surrey Realty Services Div. Engineering Dept. 13450 104th Ave, Surrey, BC V3T 1V8
RPD	**University of BC**	Santa Ono UBC President and Vice-Chancellor 604-822-8300 presidents.office@ubc.ca	Large tenant at Robson Square Post-Secondary Institution	Good relations with key tenant	Office of the President 7th Floor Walter C. Koerner Library 1958 Main Mall Vancouver, BC V6T 1Z2
RPD	**Vancouver Art Gallery (VAG)**	Kathleen Bartels VAG Director 604-662-4700 KSBartels@vanartgallery.bc.ca	Former Law Courts leased to City by Province and in turn sub-leased to the VAG.	VAG looking to relocate but has not secured funding.	750 Hornby Street, Vancouver, BC V6Z 2H7

Branch	Organization	Contact	Description	Key Issues	Address
RPD	**Vancouver Coastal Health Authority**	Primary Contact: Mary Ackenhusen President & CEO 604-736-2033 (main line)	RPD provide real estate services for approximately 1 building for the Vancouver Coastal Health Authority directly, other buildings in this portfolio are maintained through the Provincial Health Services Authority. RPD provides recurring real estate services, and project management, in concert with our service provider, WSI.	Not fully utilizing the RPD's facilities model	#500 – 520 West 6th Avenue Vancouver, BC V5Z 4H5
RPD	**Vancouver Island Health Authority**	Primary Contact: Dr. Brendan Carr President & CEO 250-370-8699 (main line)	RPD manages approximately 20 buildings for the Island Health Authority. RPD provides recurring O&M services, and project management, in concert with our service provider, WSI.	Not fully utilizing the Province's facilities model	1952 Bay Street, Victoria, BC V8J 1J8
RPD	**WSI/Brookfield**	Mike Gredainius President …. Joanne Lawrence General Manager 250-952-3852 s.22 joanne.lawrence@wsi.brookfieldgis.com	Current Service provider for facilities management province wide and for facilities project delivery up to two million dollars under existing Master Services Agreement expiring in 2019	Re-procuring contract effective 2019.	#21 – 3318 Oak Street Victoria, BC V8X 1R1

Branch	Organization	Contact	Description	Key Issues	Address
RPD	**BGIS update name**	Gord Hicks President ujpdate title 905-415-3248 s.22 Gord.Hicks@brookfieldgis.com	BGIS is the global parent company of WSI. The provincial government RPD portfolio is under the BGIS over umbrella.	Major account issues are raised to the BGIS corporate level through standing structure of executive level meeting. Issues at this level are of strategic nature mainly concerning aligning direction between province and BGIS.	4175 – 14th Avenue, Suite 300 Markham, ON L3R 0J2

SERVICE BC – KEY STAKEHOLDERS

Branch	Organization	Contact	Description	Key Issues	Address
SBC	**Canada Revenue Agency**	Vince Séguin, Director, Business Number Division 613-946-0214	The Canada Revenue Agency (CRA) administers tax laws for the Government of Canada and for most provinces and territories, and administers various social and economic benefit and incentive programs delivered through the tax system.	• CRA is a OneStop business number partner and they manage the Business Number throughout Canada. We also work with them to make the application for GST numbers and other services for business a seamless process.	750 Heron Road / 750 rue Heron 8th Floor – Room E08-8022 Ottawa ON K1A 0L5
SBC	**Corporations Canada**	Contact Centre 1-866-333-5556 Cheryl Ringor, Director, Compliance and Policy Directorate Cheryl.Ringor@canada.ca	Corporations Canada is Canada's federal corporate regulator. It administers the laws that allow Canadians to create and maintain a corporation under the federal laws governing corporations in Canada.	• Corporations Canada is a partner of ours in a project to harmonize extra-provincial corporate registries across Canada (Multi-Registry Access System).	Ottawa, Ontario
SBC	**Digital Identity and Authentication Council of Canada (DIAAC)**	Joni Brennan DIACC President Info@DIACC.ca	Created as a result of the federal government's Task Force for the Payments System Review, DIACC is a non-profit coalition of public and private sector leaders committed to developing a Canadian	• DIACC works on the Pan-Canadian Identity Trust Framework -- Collaboration between the private and public sectors to establish a common approach to digital identity management in Canada.	720 King Street West, Suite 302 Toronto, ON M5V 3S5

Branch	Organization	Contact	Description	Key Issues	Address
			digital identification and authentication framework to enable Canada's full and secure participation in the global digital economy. DIACC members include representatives from both the federal and provincial levels of government as well as private sector leaders.		
SBC	**Dye & Durham**	Grant McLaney, VP Legal & Strategic Partnerships grant.mclaney@dyedurham.com	Dye & Durham Corporation is a supplier of worldwide search, registry and legal support services.	• This private company is BC Registries' preferred service provider. The agreement with Registries is being extended to July 31, 2020	734 Broughton St, Victoria, BC V8W 1E1 Head office in BC is in New Westminster, BC
SBC	**Industry Training Authority**	Gary Herman, Chief Executive Officer 778-785-2422 Pavin Akis Manager, Assessment 778-327-5929 Direct 604-218-5101 mobile 866-660-6011 Bus 778-785-2401 Fax	The Industry Training Authority (ITA) manages the apprenticeship system and certifies skilled trades people in BC.	• SBC provides invigilation services to ITA at 61 of our in-person offices.	8th Floor – 8100 Granville Avenue Richmond, BC V6Y 3T6

Branch	Organization	Contact	Description	Key Issues	Address
SBC	**Maximus Canada**	Duff Lang, President 250-405-3700 duff.lang@maximuscanada.ca	Assists governments across Canada by modernizing and administering essential public services.	• MAXIMUS Canada has just signed a contract with Service BC to deliver our Contact Centre service, effective June, 2017.	716 Yates St, Victoria, BC V8W 1L4
SBC	**New West Partners - Alberta, Saskatchewan & Manitoba**	Registrar from each jurisdiction	The New West Partnership Trade Agreement is an accord between the Governments of British Columbia, Alberta and Saskatchewan that creates Canada's largest, barrier-free, interprovincial market.	• The New West Partnership Trade Agreement creates a single economic region encompassing BC, Alberta, Saskatchewan, and Manitoba. Implementation of the NWPTA presents a great opportunity for continued economic growth in these provinces	Trade Policy and Negotiations Branch BC Ministry of International Trade 250-952-0635 E-mail: nwptabc@gov.bc.ca
SBC	**Statistics Canada**	Anil Arora, Chief Statistician	National statistics office	• We review their data from a BC perspective and that analysis is distributed to the public and other ministries.	Statistics Canada 150 Tunney's Pasture Driveway Ottawa, Ontario K1A 0T6

Branch	Organization	Contact	Description	Key Issues	Address
SBC	**Service Canada**	Pat Chaba, Executive Director, Citizen Services and Program Delivery, BC-YT	Service Canada is a federal institution that provides Canadians with a single point of access to a wide range of government services and benefits.	• Partnership with Service Canada to facilitate improved coordination of federal and provincial services for citizens in rural BC and enhancing efficiencies by sharing infrastructure where it makes sense to do so.	Pat Chaba Service Canada/ Government of Canada Tel: 604-707-9596
SBC	**WorkSafeBC**	Howard Chang, Director of Assessments 604-276-3149 Howard.Chang@worksafebc.com	WorkSafeBC is BC's workers compensation board.	• SBC: WorkSafeBC is a OneStop Business Registry partner. This facilitates businesses being able to register with WorkSafeBC when they are registering their company	6951 Westminster Hwy Richmond, BC V7C 1C6

TECHNOLOGY, INNOVATION, PROCUREMENT AND SUPPLY – KEY STAKEHOLDERS
TECHNOLOGY AND INNOVATION

Branch	Organization	Contact	Description	Key Issues	Address
TIPS	**BC Tech Association**	Bill Tam President & CEO 604-602-5230 btam@bctia.org	Represents entire tech sector with heavy weighting to ITC in membership.	Implementation of commitments in Tech Strategy. Talent and capital remain major issues.	900-1188 W. Georgia St., Vancouver, BC
TIPS	**Clean Tech CEO Alliance**	Jonathan Rhone, Chair 604-220-5186 jrhone@axinewater.com	Informal coalition of CEOs in clean tech rather than an association. No Board of directors or staff.	Funding for demonstration and early projects. Talent particularly immigration issues.	108-2386 East Mall, Vancouver BC V6T 1Z3
TIPS	**DigiBC**	James Hursthouse, President 604-602-5237 exec@digibc.org	Digital and Screen Based Media Industry Assoc.	Tax credits have been primary issue.	750-1333 W. Broadway St., Vancouver BC
TIPS	**Genome BC**	Pascal Spothelfer, President & CEO 604-738-8072 pspothelfer@genomebc.ca	Funds genomics research in BC	Continuation of government funding.	400-575 W. 8th Ave., Vancouver, BC
TIPS	**LifeSciences BC**	Lesley Esford, President & CEO 604-669-9909 info@lifesciencesbc.ca	LifeSciences Industry Association	Access to capital, access to health records for research purposes, process new therapeutics into the Health Authority/hospitals in BC.	900-1188 W. Georgia St. Vancouver, BC
TIPS	**Michael Smith Foundation**	Bev Holmes, Interim President and CEO	Provides funding for research in life science	Continuation and expansion of funding from government	200 – 1285 West Broadway

Branch	Organization	Contact	Description	Key Issues	Address
		604-714-5376 bholmes@msfhr.org	sector.		Vancouver, British Columbia V6H 3X8 Canada
TIPS	**Premiers Technology Council**	Don Mattrick, Co-chair don@mattrick.com	Volunteer council which provides advice to the Premier on technology-related issues facing British Columbia and its citizens	Currently establishing priorities.	549-999 Canada Place, Vancouver BC V6C 3C1
TIPS	**Research Universities Council of BC**	Robin Ciceri, President 250-480-4859 Robin.Ciceri@rucbc.ca	Improves the quality, accessibility & coordination of university education in British Columbia	Primary conduit into Research Universities in BC	400-880 Douglas St., Victoria BC

TECHNOLOGY, INNOVATION, PROCUREMENT AND SUPPLY – KEY STAKEHOLDERS
PROCUREMENT AND SUPPLY

Branch	Organization	Contact	Description	Key Issues	Address
TIPS	**BC Business Council**	Greg D'Avignon, President and CEO, 604-684-3384 greg.davignon@bcbc.com			810-1050 West Pender Street Vancouver BC V6E 3S7
TIPS	**BC Chamber of Commerce**	Val Litwin, President and CEO 604-638-8110 vlitwin@bcchamber.org			1201-750 West Pender Street, Vancouver BC V6C 2T8

TECHNOLOGY SOLUTIONS – KEY STAKEHOLDERS

Branch	Organization	Contact	Description	Key Issues	Address
TSD	**CA Technologies**	Mark Logan, Account Manager Mark.Logan@ca.com	Vendor for Web Access Management/Single Sign-On and identity management products. CA Technologies	Provides the province with the SiteMinder product, enhanced support services and product expertise.	885 West Georgia Street Suite 500 Vancouver BC V6C 3G1
TSD	**Digital Identity and Authentication Council of Canada (DIAAC)**	Joni Brennan, DIACC President Info@DIACC.ca	Created as a result of the federal government's Task Force for the Payments System Review, DIACC is a non-profit coalition of public and private sector leaders committed to developing a Canadian digital identification and authentication framework to enable Canada's full and secure participation in the global digital economy. DIACC members include representatives from both the federal and provincial levels of government as well as private sector leaders.	DIACC works on the Pan-Canadian Identity Trust Framework -- Collaboration between the private and public sectors to establish a common approach to digital identity management in Canada.	720 King Street West, Suite 302 Toronto, ON M5V 3S5
TSD	**HPAS**	Lou Vesprini Lou.Vesprini@dxcas.com Serge Bourdage	Technology Vendor	IT Hosting Services including Managed Print	HP Advanced Solutions Vancouver Island

Branch	Organization	Contact	Description	Key Issues	Address
		Serge.Bourdage@dxcas.com (alternates for Ross Davidson, who is leaving shortly)			Technology Park 2200 – 4464 Markham Road Victoria, BC V8Z 7X8
TSD	**IBM**	Pete Sandall, Senior Project Executive	Technology Vendor	Existing service contract between the Province and IBM is in the re-tendering stage	227-11th Ave SW Calgary, Alberta, T2R 1R9
TSD	**Microsoft**	Janet Kennedy President, Microsoft Canada 289-305-9800 Janet.Kennedy@microsoft.com	Microsoft Canada Inc. is the Canadian subsidiary of Microsoft Corp. Microsoft manufactures, licenses, supports and sells computer software, consumer electronics and personal computers and services.	All issues related to Microsoft software and hardware Digital Security Strategies Cloud strategy and migration Information Technology influencer	US Corporate Office Microsoft Corporation One Microsoft Way Redmond, WA 98052-6399 Canadian Corporate Office 1950 Meadowvale Blvd Mississauga, ON L5N 8L9 Local Vancouver Office 1111 W Georgia Street Suite 1100

Branch	Organization	Contact	Description	Key Issues	Address
					Vancouver, BC V6E 4M3
TSD	**Oracle**	Brian Faust Account Executive Oracle BC Public Sector 250-216-4129 brian.faust@oracle.com	Oracle is a technology platform vendor for database, middleware, and some applications utilized by the Province and B.C. public sector.	Upcoming contract negotiations for a product and services agreement for the vendor's technology platform.	ORACLE Canada Suite 1400 - 505 Burrard Street Vancouver, British Columbia V7X 1M5
TSD	**SecureKey Technologies Inc.**	Greg Wolfand, Chairman 855-796-3386 info@securekey.com	SecureKey provides credential and authentication services for the BC Services Card under the terms of a Master Services Agreement signed April 13, 2012.	The term of the contract is six years for a total value of $20 Million.	4101 Yonge Street, Suite 501 Building 4, York Mills Centre Toronto, ON M2P 1N6
TSD	**Sierra Systems Group**	Roger Fabi, Account Executive RogerFabi@SierraSystems.com	Successful proponents on two RFP's for the Provincial Identity Information Management (IDIM) Program	IT and PM Resource Services; modernize legacy infrastructure Agreements in place until March 2020	737 Courtney Street Victoria, BC V8W 1C3

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:

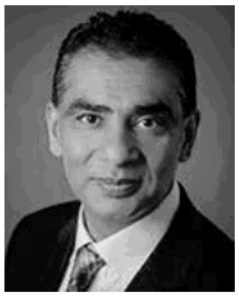
Ministry of Technology, Innovation and Citizens' Services:
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STN PROV GOVT
VICTORIA, BC
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or visit our website at
http://www.gov.bc.ca/citz

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.

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

Performance Measure	2011/12 Baseline	2015/16 Forecast	2016/17 Target	2017/18 Target	2018/19 Target
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 ± 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[1]	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[2]	12,350	12,350	12,350	12,350
Executive and Support Services	17,667	16,861	17,009	17,147
Total	479,013	491,997	501,358	502,810

Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
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**
Total	**192,436**	**204,659**	**286,752**	**214,097**
Other Financing Transactions ($000)				
Release of Assets for Economic Generation				
Receipts	**(5,500)**	**(4,000)**	**(5,000)**	**(0,500)**
Disbursements	**5,500**	**4,500**	**3,000**	**2,000**
Net Cash (Requirements)	**0,000**	**0,500**	**(2,000)**	**1,500**
Total Receipts	**(5,500)**	**(4,000)**	**(5,000)**	**(0,500)**
Total Disbursements	**5,500**	**4,500**	**3,000**	**2,000**
Total Net Cash Source (Requirements)	**0,000**	**0,500**	**(2,000)**	**1,500**

[1]For comparative purposes, amounts shown for 2015/16 have been restated to be consistent with the presentation of the 2016/17 Estimates.

[2]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
Maples and PAC Replacement 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. 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. 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.	2018/19	75	0

Appendices

Appendix A: Ministry Contact Information

Department	Telephone	Website or Email
BC Innovation Council	**In Metro Vancouver:** 604 683-2724 **Elsewhere in B.C.:** 1 800 665-7222	http://www.bcic.ca/
Government Chief Information Officer	**In Victoria:** 250 387-0401	http://www.cio.gov.bc.ca/
Knowledge Network Corporation	**In Metro Vancouver:** 604 431-3222 **Elsewhere in B.C.:** 1 877 456-6988	http://www.knowledge.ca/
Service BC	**In Victoria:** 250 387-6121 **In Metro Vancouver:** 604 660-2421 **Elsewhere in B.C.:** 1 800 663-7867 Outside B.C.:604-660-2421	http://www.servicebc.gov.bc.ca/
Premier's Technology Council	**In Victoria:** 250 356-1894 **In Metro Vancouver:** 604 827-4629	Premier's TechnologyCouncil@gov.bc.ca

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

BC Jobs Plan
http://www.bcjobsplan.ca/

BRITISH COLUMBIA

Ministry of Technology, Innovation and Citizens' Services

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.

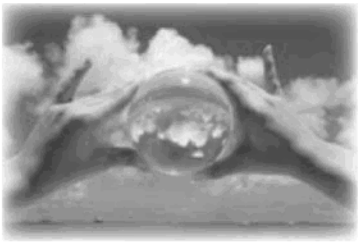
While the mandate of government is complex, a commitment to a balanced budget and fiscal restraint remains, which requires innovative service delivery that keeps pace with citizens' demands and expectations. A professional, skilled and engaged workforce is critical to helping the government innovate 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

	Targets		
Performance Indicator	**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

	Targets		
Performance Indicators	**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

	Targets		
Performance Indicators	**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

	Targets		
Performance Indicator	**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

	Targets		
Performance Indicators	**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)

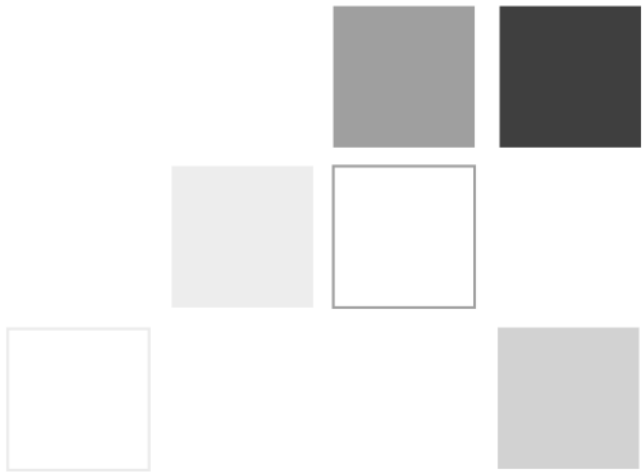
*As of 2016/17, there are 720 offices remaining to be transitioned. All will be converted by 2018/19.

Our Objective: Sustainable, Adaptable and Accessible Workplaces

	Targets		
Performance Indicators	**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

	Targets		
Performance Indicator	**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

	Targets		
Performance Indicators	**2016/17**	**2017/18**	**2018/19**
Completion of workforce analysis to identify mission-critical positions and key stream priorities	Completed analysis of mission critical positons 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

	Targets		
Performance Indicators	**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[1]	2015/16 Restated Estimates[2]	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	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[3]	12,350	12,350	12,350	12,350
Executive and Support Services	17,667	16,861	17,009	17,147
Total	**479,013**	**491,997**	**501,358**	**502,810**

Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
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
Total	**192,436**	**204,659**	**286,752**	**214,097**

Other Financing Transactions ($000)				
Release of Assets for Economic Generation				
Receipts	(5,500)	(4,000)	(5,000)	(0,500)
Disbursements	5,500	4,500	3,000	2,000
Net Cash (Requirements)	0,000	0,500	(2,000)	1,500
Total Receipts	**(5,500)**	**(4,000)**	**(5,000)**	**(0,500)**
Total Disbursements	**5,500**	**4,500**	**3,000**	**2,000**
Total Net Cash Source (Requirements)	**0,000**	**0,500**	**(2,000)**	**1,500**

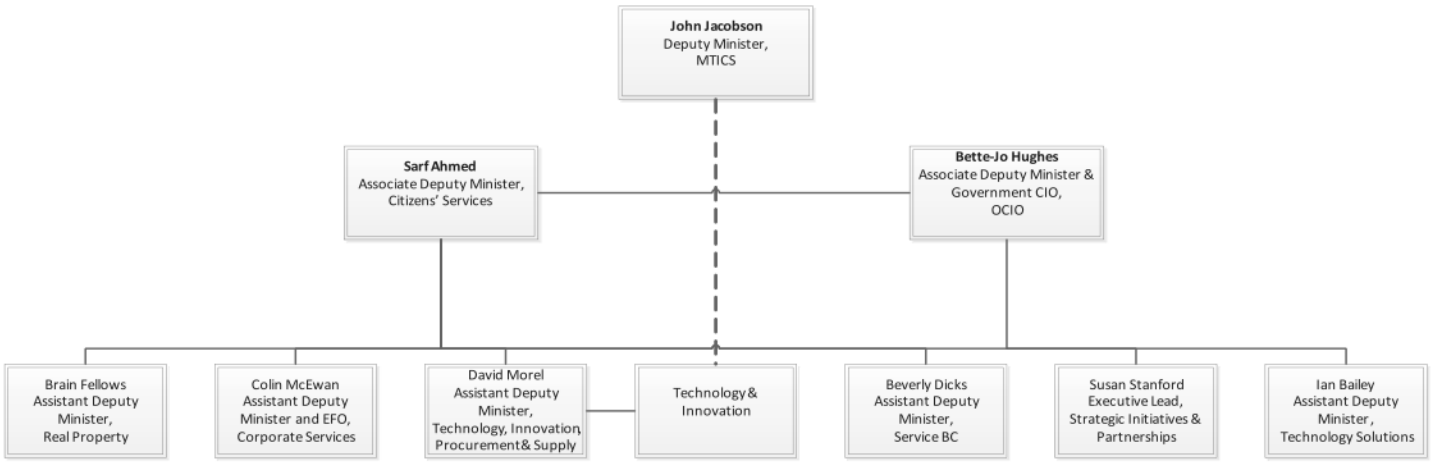
[1]Core Businesses adjusted to reflect formation of Technology, Innovation, Procurement and Supply Division, which includes the budget for Logistics and Business Services, Innovation and Technology, and an allocation from the Office of the Chief Information Officer core businesses. This presentation will differ from the ministry Service Plan and Estimates budget.

[2]For comparative purposes, amounts shown for 2015/16 have been restated to be consistent with the presentation of the 2016/17 Estimates.

[3]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.

Core Business Function: Shared Services to Core Government & Broader Public Sector	
Procurement	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.
Real Property	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.
Logistics	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.
Print and Mail Services	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.
BC Stats	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.
Telecommunications and Network Infrastructure	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.
Architecture & Standards	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.
IT Service Delivery	IT Service Delivery plans, designs, implements and delivers corporate IT services, maintains corporate IT infrastructure and provides corporate applications.

Core Business Function: Shared Services to Core Government & Broader Public Sector	
Device, Infrastructure and Productivity Tools	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.
Security	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.
Identity Management	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.

Core Business Function: Governance	
Strategy and Transformation Planning	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.
Strategic Partnerships Office	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 contacts.
Policy	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.
IM/IT Capital Investment	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.
#BCTECH Strategy	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	
Internal Services	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.
Continuous Improvement	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.
Business Continuity Management	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. Related Government Core Policy: Business Continuity Management
Risk Management	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. Related Government Core Policy: Risk Management

MERIT PERFORMANCE AUDIT
Corporate Services Division

Lead Executive
Colin McEwan, Assistant Deputy Minister and Executive Financial Officer

Issue
Inconsistencies in the MTICS hiring practises have resulted in some appointments being made with insufficient evidence of the strict adherence to merit-based principles.

Background
The 2016/17 Merit Performance Audit randomly reviewed six (6) appoints made by MTICS from April 1, 2016 to September 30, 2016. This review is intended to confirm that all recruitment and selection processes are "properly designed and applied to result in appointments based on merit."

The results of the interim review indicated that:

- 3 of the 6 confirmed merit principles were applied;
- 1 of the 6 confirmed merit principles were applied, with exception; and
- 2 of the 6 indicated the merit principles were not applied.

Steps Taken or Being Taken
The Corporate Services Division, in collaboration with the Public Service Agency are reviewing the interim report and developing recommendations to be implemented by September 1, 2017 to ensure:

1. All managers with delegated hiring authority understand the principles of a merit-based competition process;
2. Internal training leveraging current PSA educational tools is promoted and delivered;
3. Mandatory requirements to confirm training/experience are sufficient for all individuals involved with hiring processes;
4. In addition to the advisory services of the PSA, centralized subject matter expertise is available within MTICS for employees involved in hiring activities;
5. Confirmation of hiring experience is integrated into the staffing approval (pre-hiring) process; and
6. MTICS will conduct additional separate random audits and reporting to ensure consistent, on-going adherence to merit-based principles.

MTICS is committed to ensuring that the principles of merit are applied in each and every appointment.

Contact: Colin McEwan, Assistant Deputy Minister and EFO, Corporate Services **Phone:** (778) 677-6416
Date: June 30, 2017

OFFICE OF THE AUDITOR GENERAL REPORT – GETTING IT RIGHT
OCIO – IMIT Capital Investment Branch

Lead Executive
Ian Bailey, Acting Government Chief Information Officer

Issue
Response to the OAG Report "Getting IT Right: Achieving value from Government information technology investments"

Background
On October 4, 2016, the Office of the Auditor General (OAG) released its report, "Getting IT Right: Achieving value from Government information technology investments." The report was not the result of an audit. Instead, the OAG reviewed research studies and publicly available information on IT projects to identify failures and successes. That information, combined with previous IT audits, formed an understanding of current IT practices and reflects what is in the report.
Overall, the OAG found a need for better central overview of IT investment across government. It made three recommendations to improve oversight and accountability of IT projects.
It also offered up 20 questions for successful oversight of IT projects.

Recommendation by OAG	**Ministry Response**
RECOMMENDATION #1: Central oversight of ministry IT-enabled projects includes total project costs (both capital cost and project-related operating cost) for the term of each project.	The concept case and business case templates currently in use include total project costs (capital and related incremental operating) for IT-enabled projects. The OCIO has also developed a new reporting framework that includes both capital and operating costs for each project. We are incorporating feedback from ministries and other organizations on the definition and reporting procedures for project-related operating costs to ensure consistent and accurate reporting. The Province hired 23 new IT professionals across six ministries in 2016/17. This new pool of talent will help provide in-house expertise and project-management oversight for IT projects.

RECOMMENDATION #2: Ministries obtain IT investment information from their broader public sector entities to support central monitoring of IT investment across the government reporting entity.	The 2017/18 mandate letters will request entities to identify significant IT projects to the responsible Minister. Finance will continue to work towards the integration of IT investment information into reporting documents.
RECOMMENDATION #3: The Ministry of Finance periodically review whether public reporting of ministry and broader public sector IT investment meets legislator, government and public expectations for accountability and transparency.	Finance has issued a guidance document to all ministries for reporting major capital projects, to clarify expectations and ensure consistency in the information received and reported. This guidance is regularly reviewed and updated to ensure that major project reporting meets legislative requirements and transparency expectations. In addition, the Ministry of Finance regularly reviews and adjusts public reporting requirements in quarterly reports, budget documents, service plans and annual service plan reports within the accountability and transparency framework.

Steps Taken or Being Taken

Government introduced a new framework for IT-enabled project governance and oversight in December 2012 for ministries that has resulted in changes to the selection, management and oversight of ministry IT-enabled projects. Working with the Office of the Chief Information Officer (OCIO), ministries have built additional capacity to improve the management of the projects, learning from previous projects and incorporating better-practice procedures. Staff training and new project methods including the use of lean project procedures, have further contributed to ministry IT project success and improved service delivery and ministry operations.

Additional work is currently underway, including additional capacity-building in ministries for IT projects, strengthening the governance and oversight framework, and implementation of a new application condition and investment tool are expected to continue to enhance the management of ministry IT-enabled projects.

At the same time, the Strategic Partnerships Office continues to advise ministries on procurement, governance and management practices for alternate service delivery arrangements to achieve maximum value from these complex, high-value contracts.

OFFICE OF THE AUDITOR GENERAL REPORT—MANAGEMENT OF MOBILE DEVICES
Technology Solutions – Device Services Branch

Lead Executive
Ian Bailey, Acting Government Chief Information Officer

Issue
Response to the OAG Report "Management of Mobile Devices"

Background
In October 2016, the Office of the Auditor General (OAG) released its report, "Management of Mobile Devices: Assessing the Moving Target in B.C." The OAG conducted an audit to determine whether government was managing mobile devices in a manner that maintained the security of sensitive government information. Overall the OAG found the Office of the Chief Information Officer (OCIO) has been proactive in developing a government strategy for mobile devices management but commented that more could be done to ensure that the security of sensitive government information is maintained.
In response to the OAG's report the OCIO acknowledged the valuable and timely analysis of the OAG's recommendations and committed to implement a new Mobile Device Management Services (MDM) plan in response to the OAG's report.

Steps Taken or Being Taken

Recommendation by OAG	**Ministry Response**
Recommendation #1: Establish requirements to document: • Assessments of the risks associated with new mobile device features and services • Approvals of risk mitigation plans • Acceptance of residual risks	Satisfied with the completion of the Information Security Policy (ISP) V3.0 and draft ISP V4.0. The final draft has been submitted for sign off. The OCIO also committed to a risk assessment process for all new devices and Operating System (OS) 2017 and forward. Was in place by December 31st, 2016.
Recommendation #2: Update the policy framework to clearly identify applicability to mobile devices	This was addressed by updating relevant policies such as "ISP and the Mew Mobile Device Guideline". Chapter 12 revision project is underway (Phase 1 completed March 31/17) and consequent amendments identified to update mobile devices and other core policy (to be completed as part of larger Chapter 12 project with a completion date in the fall of 2018)
Recommendation #3: Provide support to help ministries	Has been satisfied through the implementation of the new MDM tool and training for all staff.

Contact: Dan Ehle, Executive Director, Device Services **Phone:** (250) 216-7018
Date: May 5, 2017

develop a solution to maintain a detailed inventory of all mobile devices, including key information such as: assignee, manufacturer, model, OS level and relevant dates	MDM: device lifecycle management technology that enables IT to deploy, configure, manage, support and secure mobile devices through MDM profiles installed on those devices. MDM software provides: asset inventory, over-the-air configuration of email, apps, Wi-Fi, remote troubleshooting, and remote lock and wipe.
Recommendation #4: Ensure all key security settings are applied before a mobile devices goes into service	Has been satisfied through the implementation of the new MDM, which links to policies.
Recommendation #5: Establish in policy a maximum inactivity-until-locked time based on an assessment of the risks to the security of sensitive government information, and enforce this policy through technical means	Has been satisfied through the implementation of the new MDM tool and training for all staff.
Recommendation #6: Replace the existing mobile device management tool with one capable of: • Installing and maintaining anti-malware software • Preventing high-risk devices from connecting • Monitoring and logging mobile devices security incidents	Has been satisfied through the implementation of the new MDM tool and training for all staff. Analysis and logging process in place.
Recommendation #7: Analyse lost and stolen device reports for potential enhancements to security awareness programs	Satisfied with the completion of the Information Security Policy (ISP) V3.0 and draft ISP V4.0. The final draft has been submitted for sign off. The OCIO also committed to a risk assessment process for all new devices and Operating System (OS) 2017 and forward (in place by December 31st, 2016).

OFFICE OF THE AUDITOR GENERAL REPORT—WORKSTATION ONBOARDING

Lead Executive
David Morel, Assistant Deputy Minister

Issue
An Office of The Auditor General audit released in November 2016 identified challenges in government oversight of IT Alternate Service Delivery contracts.

Background
In November 2016, the Office of the Auditor General (OAG) released an audit of the 2010 '*onboarding*' (term for adding a service or client to an existing contract) of the health authorities to the existing IBM Workstation Support Services (WSS) agreement, and the two-year extension of the original agreement for existing clients. The audit garnered media coverage.

The report: Workstation support services contract: An audit of due diligence, can be found here: http://www.bcauditor.com/pubs/2016/workstation-support-services-contract-audit-due-diligence

In 2004, government signed a 10-year service contract with IBM worth approximately $300M to deliver a complete end-to-end service for workplace support for all workstation users within government. In 2010, the health authorities were onboarded to the agreement. This added 50,000 workstations to the agreement at a cost of $395M. At the same time, MTICS extended the contract by two years to 2017.

The audit looked at the onboarding of the health authorities to the existing agreement and the extension of the original agreement from 2015 to 2017. The time period of the audit was from March 2010 to December 2010, but information from 2008 and 2009 that was directly relevant to the time period of the audit was also considered.

The OAG found that the due diligence completed by MTICS and Health Shared Services BC (HSSBC) to be inadequate. No alternative procurement options were explored prior to entering into negotiations with the service provider to onboard the health authorities and extend the contract. This was despite information to suggest that there was a high risk that onboarding to the existing agreement would result in cost increases for the health authorities.

The OAG report made four recommendations:

1. Identify clear responsibility for the oversight of significant alternative service delivery contract decisions such as extensions and onboarding.
2. Improve oversight of significant alternative service delivery contract decisions, such as extensions and onboarding, by requiring an independent review to ensure the principles of fairness and value for money are considered.

3. Ensure due diligence expectations for onboarding and significant contract changes or extensions are clearly communicated to service providers and contract management offices across the public sector.
4. Report publicly on the planned and achieved results of significant alternative service delivery onboarding initiatives.

Steps Taken or Being Taken

- Government agreed with recommendations in the 2016 audit to improve oversight.
- The establishment of the Strategic Partnerships Office (SPO) in 2012 has improved the independent review, documentation of analysis and due diligence of contracts, including the WSS contract with IBM.
- Enhanced public reporting by proactively releasing Alternative Service Delivery (ASD) contract summaries will begin in August 2017.
- All significant changes to outsourced contracts will be required to meet the expectations identified by the OAG through ongoing monitoring of the service delivery contract by the Strategic Partnerships Office, as well as through detailed business case development and financial analysis.
- MTICS is working with the Ministry of Finance and considering updates to core policy to clearly identify the role of the Strategic Partnerships Office and its oversight of significant ASD contracts and in particular, on key decisions such as contract changes and onboarding.
- In situations where there are large onboarding or significant changes in major contracts, the Strategic Partnerships Office has put in place processes for Treasury Board review where required.
- The Strategic Partnerships Office now reports to the Ministry of Finance, on a quarterly basis, on large outsourced contracts within the Strategic Partnerships Office's mandate.

OFFICE OF THE AUDITOR GENERAL (OAG) REPORT ON THE RELEASE OF ASSETS FOR ECONOMIC GENERATION PROGRAM
Real Property Division

Lead Executive
Sarf Ahmed, Associate Deputy Minister

Background
The Office of the Auditor General (OAG) of British Columbia provided the Province with a signed Notice of Examination on March 21, 2016 confirming they would undertake a program audit of the Release of Assets for Economic Generation (RAEG) program.

The stated objectives of the audit are to determine whether government:

1. designed and followed appropriate processes; and
2. obtained its stated program benefits from the sales of surplus assets during fiscal years 2013/14 and 2014/15 under the Release of Assets for Economic Generation (RAEG) program.

The OAG have requested and been provided with information and documentation on the following properties that were part of the RAEG program

Ministry of Forests Lands Natural Resource Operations:

- Burke Mountain (3 properties)
- Green Timbers

Ministry of Health:

- West Vancouver Community Health Centre

Ministry of Technology Innovation and Citizens' Services:

- South Block
- Willingdon
- Panorama
- Jutland

Ministry of Education:

- Steveston
- Belmont

Ministry of Transportation and Infrastructure:

- Surrey Pit
- Periwinkle
- Kelvin Grove

Contact: Lorne DeLarge, Acting Assistant Deputy Minister, Real Property Division **Phone:** (250) 952-8778
Date: May 9, 2017

Steps Taken or Being Taken

In discussions with staff, OAG has indicated that their findings at this point will conclude the RAEG program either met, or met with exceptions, its objectives. It is not anticipated the report will include significant recommendations.

OAG has advised staff it will provide the ministry with a penultimate draft of the report for review and discussion in the coming weeks, following which it is anticipated a full report will be released.

Key Decisions in 2017/18

- Approve response to the report

OFFICE OF THE AUDITOR GENERAL NOTICE OF PRE-PLANNING - BC SERVICES CARD PROGRAM
Technology Solutions Division

Lead Executive
Ian Bailey, Acting Chief Information Officer

Background
In its' 2016/17 - 2018/19 Performance Audit Coverage Plan, the Office of the Auditor General (OAG) of British Columbia identified the BC Services Card as an important area with significant relevance and value to the people of BC.

On June 22, 2017, a Notice of Pre-Planning was sent to John Jacobson, Deputy Minister, MTICS, stating that the OAG's objective is to gain a better understanding of the BC Services Card Program and MTICS' role in the initiative. The OAG also advises that they will be engaging with the Ministry of Health and the Insurance Corporation of BC on this work, and provided a performance audit brochure (attached) that gives more information about what a performance audit is and the process they follow.

Once the OAG has developed a sufficient understanding of the BC Services Card Program, they will decide whether to proceed into audit planning and communicate their decision to the Deputy Minister.

Current Context
MTICS works in partnership with the Ministry of Health (HLTH), the Insurance Corporation of BC (ICBC) to deliver the BC Services Card Program (the Program) as an integrated program.

The Program leverages key strengths of ICBC, HLTH and MTICS, which include:

- ICBC's expertise in issuing highly secure provincial identification and infrastructure, such as facial recognition technology, front counter operations spanning BC, and card production capabilities;
- HLTH's provincial Medical Services Plan program, the only mandatory provincial program touching almost every citizen of BC, and through its operational arm, Health Insurance BC (HIBC)'s call centre capabilities; and,
- MTICS' identity management infrastructure.

Major Activities in 2017/18
- Respond to the OAG Notice of Pre-Planning advising that the key contact person for this stage of their work is Sophia Howse, Executive Director, Provincial IDIM Program.
- Initiate discussions with HLTH and ICBC to ensure that the three Program partners' responses to the OAG are aligned, comprehensive and cohesive.

Attachment



OAG Performance Audit Brochure_Final-

WHAT TO EXPECT FROM A PERFORMANCE AUDIT

When people think of an audit, they often think of financial records, receipts and reporting. The Office of the Auditor General conducts *financial audits* – but it's not the only type we do. We'd like to introduce you to *performance audits* - what they are, why we do them and what you can expect during one. Performance audits, like financial audits, are an important part of open and accountable government. You can visit our website for the detailed guide. We look forward to working with you.

OFFICE OF THE
Auditor General
of British Columbia

WHO IS THE AUDITOR GENERAL?

The Auditor General is a non-partisan, independent Officer of the Legislature who reports directly to the Legislative Assembly. The *Auditor General Act* empowers the Auditor General and staff (known as the Office of the Auditor General, or OAG) to conduct audits, access documents and information, report the findings and make recommendations.

WHAT DOES THE OAG AUDIT?

The OAG audits the government reporting entity, which is comprised of ministries, Crown corporations, and other public sector organizations such as universities, colleges, school districts, health authorities, and similar organizations that are controlled by, or accountable to, the provincial government.

WHY DOES THE OAG AUDIT?

The OAG provides a valuable contribution to good governance in our province, which is reflected in our mission statement:

"... to serve the people of British Columbia and their elected representatives by conducting independent audits and advising on how well government is managing its responsibilities and resources."

WHAT IS A PERFORMANCE AUDIT?

A performance audit reviews the wider management issues of an organization or program and whether it is achieving its objectives effectively, economically and efficiently. They are sometimes called"value for money" audits because they can advise whether there is value received for the money being spent.

Our performance audits are conducted in accordance with the assurance standards of the Canadian Institute of Chartered Accountants.

HOW DOES THE OAG DECIDE WHAT TO AUDIT?

We choose audit topics based on a number of factors, such as:

- financial, social and environmental impact;
- relevance to British Columbians;
- our capacity to do the work; and
- our goal to cover a wide range of government programs and organizations.

Potential topics come from a variety of sources. We regularly assess the government environment and also encourage suggestions from Members of the Legislative Assembly and the general public.

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WHAT TO EXPECT FROM A FINANCIAL AUDIT

THE AUDIT PROCESS

IDENTIFICATION

Your organization is informed that it may be audited, and is asked to provide preliminary information. The audit team researches and prepares a project proposal for the Auditor General's approval. Only approved projects continue to the next stage.

PLANNING

Your organization provides a key contact, who will assist the audit team in making arrangements for access to staff, documents and workspace. To develop the formal audit plan, the audit team discusses the audit's purpose, timeline, scope and criteria with your organization.

CONDUCTING

The audit team spends this phase interviewing, obtaining documents and holding progress meetings with your organization. At the end of this phase, the audit team discusses their findings and conclusions with the organization.

REPORTING

While the Auditor General may report findings in different ways, the most common is to produce a formal report. Your organization will have the opportunity to review and discuss drafts and prepare a response for inclusion in the final version. The Minister receives the final report seven days before the Speaker tables it with the Legislative Assembly. Once tabled, it is posted on our website as a public document.

FOLLOW-UP

Your organization creates an action plan for implementing the report's recommendations, and will be asked for a progress update within one year, likely published in our bi-annual follow-up reports.

WHAT YOU CAN EXPECT FROM US

PROFESSIONALISM

Our staff will exhibit professional behaviour throughout the audit process.

EXPERTISE

Audit teams will be well informed on their topics. If necessary, we will hire subject matter experts to ensure that we have the necessary knowledge to conduct the audit.

INDEPENDENCE

The OAG reports directly to the Legislative Assembly, not to the government of the day, and our work is reviewed by the Select Standing Committee on Public Accounts.

CONFIDENTIALITY

As per the *Auditor General Act*, all the records generated during our work are permanently exempt from disclosure under the terms of the *Freedom of Information and Protection of Privacy Act*.

NO SURPRISES

We will keep you informed and involved every step of the way, from discussions about the audit criteria to reviewing the draft report. This includes early and clear communication about the audit topic and the resources (time, space, staff) we will require.

VALUABLE FEEDBACK

Audits are an opportunity to gain insight into your organization, and aid in continuous improvement.

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UNRELEASED REPORTS AND STUDIES

Division	Topic	Brief Description	Planned Release
Real Property	OAG performance report on Release of Assets for Economic Generation	Office of the Auditor General (OAG) has undertaken a review of the Release of Assets for Economic Generation program. The review is focused on processes developed for the program, and whether the program achieved its key objectives (generating: revenue; new economic activity; and cost savings).	Summer 2017 (est)