

**Ministry of
Finance**

**2012/13 – 2014/15
SERVICE PLAN**

February 2012



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Message from the Minister and Accountability Statement



Ten years of fiscal responsibility have put British Columbia in a good position to manage the challenges of global economic uncertainty and the return to balanced budgets here at home. The commitment to maintain B.C.'s triple-A credit rating and our comparatively low debt-to-GDP ratio will strengthen our reputation as a safe harbour for investment and provide a foundation for the B.C. jobs agenda that has already had positive results for British Columbia families.

We're required by law to return to balanced budgets in 2013-14 but that will require some difficult choices. Over the past three years, government has made a concerted effort to manage and control spending. We focused on cutting discretionary spending so that we could protect priority programs like health care and education. We continue to review crown corporations as well as programs and assets across government to ensure we're doing everything possible to reduce costs and attract investment. Over the coming year we will be working to identify government assets that may not be essential to long term plans but could be used to create jobs and support services.

As we move toward 2013 and our other commitment to return to the PST, we are meeting the challenges of a very complex transition period. We are on track to restore the PST in an orderly way that responds to concerns from the public and business. An agreement with the Government of Canada to repay \$1.6 billion we received for harmonization will allow repayment over five years interest free so that the impact on government is reduced significantly.

We're focused on the future. I have appointed an expert panel to review B.C. business taxes. The panel will develop recommendations to support business competitiveness, economic growth and jobs for British Columbians. I have asked the panel to suggest ways to streamline the administration of the PST, with a view to reducing complexity for business. Municipal property taxation of business will also be within their scope of reference.

Through ongoing conversations and consultations with British Columbians, our government will keep the Province on course – protect priority services like health care and education, and build on the Province's solid foundation of prudent fiscal management to attract investment and open new markets for B.C. products and services.

Supporting the approximately 30,000 employees who serve the citizens of B.C. is another role of the Ministry of Finance. Being the province's largest corporate employer requires careful planning, and our Corporate Human Resource Plan, *Being the Best*, is the driving force behind the BC Public Service. We provide the leadership in support of the plan and are responsible for implementing it on a day-to-day basis.

I want to thank the incredibly dedicated and professional staff at the Ministry of Finance. I am proud to work with them every day and I appreciate their steadfast commitment to serving the people of British Columbia.

The *Ministry of Finance 2012/13 – 2014/15 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which this plan has been prepared and for achieving the specific objectives in this plan.

A handwritten signature in blue ink, appearing to read 'Kevin Falcon', is centered on a light yellow rectangular background.

Honourable Kevin Falcon
Minister of Finance
February 21, 2012

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Purpose of the Ministry

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

The Ministry is also responsible for:

- Government's economic forecasting, fiscal planning, budgeting and reporting;
- Government's economic, fiscal and taxation policy;
- Tax and non-tax revenue administration and loan administration and collection;
- Oversight of financial, procurement and administrative governance for the broader public service (ministries, crown agencies and the schools, universities, colleges and hospitals (SUCH) sector);
- Banking, accounting, and risk and debt management services for government;
- Policy development for the financial, corporate and real estate sectors in British Columbia;
- Regulation of the financial services and real estate sectors, and administration of the BC credit union deposit insurance fund.

Also, the Minister of Finance is accountable for the BC Public Service Agency (see pages 21 – 26), Public Sector Employers' Council (see pages 27 – 28), BC Securities Commission, Pacific Carbon Trust, Insurance Corporation of BC and Partnerships BC¹.

Ministry clients include the citizens of British Columbia, Treasury Board, Cabinet, ministries, Crown corporations, boards and commissions, agencies, businesses, investors and financial sector agencies.

The Ministry publishes several reports – please see page 18 for links to these publications.

¹ For more information refer to <http://www.bcpublicserviceagency.gov.bc.ca/> (Public Service Agency); <http://www.pssg.gov.bc.ca/psec/index.htm> (Public Sector Employers' Council); <http://www.bcsc.bc.ca/> (BC Securities Commission); <http://www.pacificcarbontrust.com/> (Pacific Carbon Trust); <http://www.icbc.com> (Insurance Corporation BC); <http://www.partnershipsbc.ca/index.php> (Partnerships BC).

Strategic Context

The Economy

The Economic Forecast Council estimates that British Columbia's real GDP grew by 2.2 per cent in 2011 and projects that the rate of real GDP growth will remain at 2.2 per cent in 2012, before increasing to 2.5 per cent in 2013. Risks to British Columbia's economic outlook include a return to recession in the US; the European sovereign debt crisis threatening the stability of global financial markets; slower than anticipated economic growth in Asia dampening demand for BC exports; and a weakening of the US dollar disrupting the financial markets and raising the cost of BC exports abroad.

Government Priorities

The government has identified job creation, families, and a commitment to transparency and open government as major priorities over the next several years. The Ministry of Finance is committed to contributing to each of these priorities.

- The Ministry supports the *BC Jobs Plan* through tax initiatives, fiscal responsibility, and deregulation to foster an environment that encourages business success.
- The Ministry supports BC families by overseeing prudent fiscal management of all government funds. These efforts aid in maintaining low tax rates for individuals and families living and working in British Columbia and contribute to decreasing the province's debt load to lessen the burden for future generations.
- The Ministry supports open government by driving greater transparency and fiscal accountability through proactively releasing data and information to the public.

Return to a Provincial Sales Tax

A provincial referendum was held from June to August 2011 to determine the future of the BC Harmonized Sales Tax (HST). In August 2011, the result of the referendum was released and government announced that the majority of voters were in favour of restoring the former consumer tax model, and as a result of the referendum, government will restore the combined 12 per cent PST and GST tax system. An [action plan](#)² has been established to guide the transition process and help ensure an effective and orderly transition to the PST.

Climate Change Adaptation

The provincial climate change Adaptation Strategy calls on government agencies to consider climate change and its impacts, where relevant, in planning, policy development, projects, legislation, regulations and approvals.

The Ministry contributes to the delivery of government's climate change adaptation agenda by assessing business risks and opportunities related to climate change and its impacts.

² For more information refer to: <http://www.fin.gov.bc.ca/pst-return.htm>

Goals, Objectives, Strategies and Performance Measures

Goal 1: Sound and transparent management of government finances

Confidence in British Columbia's economy is supported by a sound and sustainable fiscal environment. Responsible fiscal policies ensure the government maintains and enhances the delivery of key public services, and that the costs of public services will not pass on to future generations. Public confidence is further enhanced by open accountability that demonstrates the appropriate management of public funds .

Objective 1.1: Effective management of government's fiscal plan

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

Strategies

- Continuously monitor revenues, spending and debt set out in the fiscal plan and take corrective action as required to meet targets.
- Ensure effective cash management to minimize the need to borrow and reduce debt servicing costs.
- Manage government's capital plan, including strategic investments in infrastructure across the province.

Performance Measure 1: Provincial credit rating

Performance Measure	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target
Provincial credit rating	Aaa	Aaa	Aaa	Aaa

Data Source: Moody's Investor Service (Credit Rating Agency).

Discussion

This measure is the provincial credit rating determined by Moody’s Investors Service, a recognized and independent credit rating agency. This credit rating influences the interest rate that the Province is charged when it borrows in either the domestic and international capital markets. Credit ratings are provided in descending alphabetical order from A to C – highest to lowest. Triple-A (Aaa) is the highest possible rating and it is provided only to those public and private sector organizations that are assessed as borrowers with excellent financial security and pose low risk for investor loss.

Organizations with a triple-A credit rating are generally offered the lowest interest rates when borrowing.

In determining the Province’s credit rating, rating agencies evaluate debt as a percentage of gross domestic product (GDP) and interest owing as a percentage of gross receipts. Agencies also consider the government’s track record in meeting its fiscal targets, its transparency in budgeting and reporting, the economic outlook, and business and consumer confidence in the economy. With government’s continued focus on prudent fiscal management, it anticipates maintaining its triple-A credit rating.

Performance Measure 2: Budget deficit / surplus

Performance Measure	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target
Budget deficit / surplus	\$2.5 B ¹ deficit	As set out in government fiscal plan	As set out in government fiscal plan	As set out in government fiscal plan

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

¹ This includes the \$1.6 billion liability for repayment of the HST transition funding. Excluding this liability, the projected deficit is \$898 million, which is a \$27 million improvement over the projected deficit in the Budget 2011 fiscal plan.

Discussion

This measure reflects the Ministry of Finance’s overall success in implementing the government’s fiscal plan. Specifically, the government is committed to returning to a balanced budget by 2013/14, while expecting budget deficits through 2012/13.

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

The Ministry supports accountability and transparency through the public release of financial and program information and a variety of governance frameworks that apply to ministries and the broader public sector. The successful implementation of effective governance frameworks supports increased value for use of public funds and contributes to confidence in government. To facilitate the application of these frameworks, the Ministry supports government with tools and training to build necessary capacity.

Strategies

- Provide governance and oversight to:
 - Ensure all government entities (e.g. ministries, Crown agencies, etc.) are publicly accountable for their programs, services and fiscal management.
 - Ensure appropriate financial and program management, systems and guidance are in place for the broader public service
- Use risk-based approaches to effectively manage government’s resources.
- Undertake strategic reviews of government business processes to identify opportunities to maximize efficiency.
- Meet statutory reporting requirements and comply with generally accepted accounting principles³ (GAAP).

Performance Measure 3: Release of key financial documents

Performance Measure	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target
Release date of the <i>Budget</i>	February 21, 2012	By legislated due date	By legislated due date	By legislated due date
Release date of the <i>Public Accounts</i> ¹	On or Before June 30, 2012	On or before June 30, 2013	On or before June 30, 2014	On or before June 30, 2015
Audit opinion ²	Public Accounts in compliance with GAAP	Public Accounts in compliance GAAP	Public Accounts in compliance with GAAP	Public Accounts in compliance with GAAP

Data Source: Release of the *Public Accounts*.

¹ This measure will be considered substantially achieved if the *Public Accounts* are released within 10 business days of the target date. The legislated due date for the release of the *Public Accounts* is August 31st for the previous fiscal year.

² This measure will be considered substantially achieved if the Office of the Auditor General provides a qualified but positive opinion of the *Public Accounts*.

³ The government of British Columbia adheres to generally accepted accounting principles for senior Canadian governments as identified by the Public Sector Accounting Board.

Discussion

The first two measures capture the timeliness of government budgeting and financial reporting. Timely release of financial information is critical for effective use of the information and helps instill public confidence in government's ability to manage its resources. The *Budget Transparency and Accountability Act* requires the release of the Province's budget by the third Tuesday of February in the immediately preceding fiscal year and the Province's financial statements (*Public Accounts*) by August 31 following each fiscal year end.

The third measure is an indication of government's transparency in accounting for its finances. In preparing the *Public Accounts*, the Ministry strives to provide an open, accurate and fair representation of the government's financial position in accordance with generally accepted accounting principles (GAAP). To validate this position, government seeks an independent audit opinion that offers an objective assessment of its financial reporting.

Goal 2: A strong, competitive and vibrant economy

Objective 2.1: A fair and competitive tax and regulatory environment

A tax system that is perceived by British Columbians to be fair increases their confidence in government. Furthermore, the Province's ability to develop a strong and vibrant economy depends on a tax and regulatory environment that is both nationally and internationally competitive. Jurisdictions with competitive tax regimes and regulatory frameworks are successful in attracting and retaining personal and business investments. This success in turn enhances economic development and generates stable revenues to support critical government services such as health care and education.

Strategies

- Continue to improve the fairness, competitiveness and sustainability of the provincial tax system.
- Ensure financial and corporate regulatory frameworks are efficient and effective, and protect the public interest.
- Commit to net zero regulatory gain through 2015.
- Support the Ministry of Jobs, Tourism and Innovation in implementing a *Regulatory Reporting Act* to mandate annual reporting on regulatory reform.
- Advance BC's interests with the federal and other provincial governments on federal-provincial fiscal relations.
- Support the [Expert Panel on Tax](#)⁴ as it develops ideas and provides recommendations to government that balance the principles of competitiveness, fairness and simplicity.

⁴ For more information refer to: http://www2.news.gov.bc.ca/news_releases_2009-2013/2012FIN0002-000018.htm

Performance Measure 4: Provincial income tax rates

Performance Measure	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target
Provincial ranking of corporate income tax rates	In the lowest four	Remain in the lowest four	Remain in the lowest four	Remain in the lowest four
Provincial ranking of personal income tax rates for the bottom tax bracket	In the lowest two	Remain in the lowest two	Remain in the lowest two	Remain in the lowest two
Provincial ranking of personal income tax rates for the second-from-bottom tax bracket	In the lowest two	Remain in the lowest two	Remain in the lowest two	Remain in the lowest two

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

Discussion

The measure of the provincial ranking of corporate income tax rates compares the general corporate income tax rate in British Columbia, as of March 31 each year, to those of other provinces in Canada. The targets reflect government’s commitment to maintaining a competitive tax environment that fosters economic growth by encouraging business investment and promoting a business-friendly environment.

The two measures of the provincial ranking of personal income tax rates provide a comparison of British Columbia’s personal income tax rates for the bottom two tax brackets, as of March 31 each year, with those of the other nine provinces. These targets demonstrate government’s commitment to maintaining low tax rates for individuals and families living and working in British Columbia.

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

The Ministry manages revenue in relation to statutes it directly administers, as well as statutes administered by other ministries.⁵ These revenues support the provision of important government programs and services such as health care, education, social services and transportation infrastructure for British Columbians.

The Ministry is committed to identifying and collecting amounts owed to government in a manner that is fair and respectful to both citizens and taxpayers.

⁵ See Appendix A: Legislation Administered by the Ministry.

Strategies

- Administer the transition from HST to a PST and GST tax system.
- Simplify and streamline tax and other revenue legislation.
- Focus compliance activities on areas with the highest risk of non-compliance, while also ensuring coverage across industry sectors and other types of taxpayers.
- Explore further opportunities for applying technological solutions to improve compliance and enforcement activities.
- Improve collaboration across jurisdictions to help ensure tax revenue owed to the Province is identified and received in a timely manner.
- Improve practices used to collect outstanding amounts owed to government.
- Continue to consolidate government revenue management.

Performance Measure 5: Per cent of amounts owed to government paid or collected

Performance Measure	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target
Per cent of amounts owed to government paid or collected ¹	94.45%	Maintain	Maintain	Maintain

Data Source: Ministry of Finance business information systems

¹ This measure includes all amounts owed to government and administered by the Ministry of Finance. Amounts owed to government include revenue identified during the fiscal year and overdue accounts from the current and previous fiscal years. These amounts may be billed by the Ministry, self-assessed by individuals and businesses, or identified by the Ministry through audit and compliance activities. As a result of the transition to HST, which is administered by the Canada Revenue Agency, this measure currently does not include Provincial Sales Tax. When the PST is fully reinstated, the Ministry will include it in this measure.

Discussion

This measure reports on the success of the Ministry in collecting all amounts under its administration owed to government in a specific fiscal year. This measure includes amounts owed to government where the Ministry is responsible for both revenue and debt collection functions. It excludes revenue and debt collections for personal and corporate income tax, and HST currently collected by the Canada Revenue Agency on behalf of the Province. As a result, this measure reflects approximately 40 per cent of revenue overseen by the Ministry.

Resource Summary

Core Business Area	2011/12 Restated Estimates ¹	2012/13 Estimates ²	2013/14 Plan	2014/15 Plan
Operating Expenses (\$000)				
<i>Treasury Board Staff</i>	7,164	7,054	7,025	7,025
<i>Office of the Comptroller General</i>	8,338	8,338	8,338	8,338
<i>Treasury</i>	1	1	1	1
Revenue Division				
Gross	162,038	155,899	143,624	143,624
Recoveries²	(91,857)	(87,427)	(84,990)	(84,990)
Net	70,181	68,472	58,634	58,634
<i>Policy and Legislation</i>	6,902	4,884	4,844	4,844
<i>Public Sector Employers' Council Secretariat</i>	16,640	16,640	16,640	16,640
<i>Executive and Support Services</i>	10,930	11,820	10,626	10,626
Insurance and Risk Management Account				
Gross	51,390	53,622	53,622	53,622
Recoveries³	(47,199)	(49,431)	(49,431)	(49,431)
Net	4,191	4,191	4,191	4,191

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Core Business Area	2011/12 Restated Estimates ¹	2012/13 Estimates ²	2013/14 Plan	2014/15 Plan
<i>Provincial Home Acquisition Wind Up Special Account⁴</i>	10	10	10	10
<i>Total</i>	124,357	121,410	110,309	110,309
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
<i>Executive and Support Services</i>	2,511	9,655	5,570	64
<i>Total</i>	2,511	9,655	5,570	64
Other Financing Transactions (\$000)				
<i>Reconstruction Loan Portfolio</i>				
<i>Receipts</i>	(19,316)	(16,500)	(14,000)	(11,500)
<i>Disbursements</i>	0	500	450	400
<i>Net Cash (Requirements)</i>	(19,316)	(16,000)	(13,550)	(11,100)
<i>StudentAid BC Loan Program</i>				
<i>Receipts</i>	(81,000)	(90,000)	(90,000)	(90,000)
<i>Disbursements</i>	235,000	247,000	247,000	247,000
<i>Net Cash (Requirements)</i>	154,000	157,000	157,000	157,000
<i>International Fuel Tax Agreement Motor Fuel Tax Act</i>				
<i>Receipts</i>	(10,700)	(12,171)	(12,171)	(12,171)
<i>Disbursements</i>	3,150	2,866	2,866	2,866
<i>Net Cash (Requirements)</i>	(7,550)	(9,305)	(9,305)	(9,305)

Core Business Area	2011/12 Restated Estimates ¹	2012/13 Estimates ²	2013/14 Plan	2014/15 Plan
<i>Land Tax Deferment Act</i>				
<i>Receipts</i>	(35,000)	(47,000)	(52,000)	(58,000)
<i>Disbursements</i>	140,000	113,000	130,000	140,000
<i>Net Cash (Requirements)</i>	105,000	66,000	78,000	82,000
<i>Provincial Home Acquisition Wind Up Special Account</i>				
<i>Receipts</i>	(40)	(20)	(20)	(20)
<i>Net Cash (Requirements)</i>	(40)	(20)	(20)	(20)

¹ For comparative purposes, amounts shown for 2011/12 have been restated to be consistent with the presentation of the 2012/13 Estimates.

² The Ministry's costs are partially recovered from revenue administered by the Ministry under statutes listed in Appendix A.

³ These recoveries represent amounts paid into the Insurance and Risk Management special account in respect of agreements or arrangements with participants, and amounts required to be paid into the account under regulations.

⁴ This account is established under the Special Appropriation and Control Act effective April 1, 2004, for the purpose of providing for expenditures for the winding up of the loan and financial assistance programs under the Home Conversion and Leasehold Loan Act, Home Mortgage Assistance Act, Home Purchase Assistance Act, Homeowner Interest Assistance Act and Provincial Home accounts and guarantee claims paid under the mortgage assistance programs.

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Hyperlinks to Additional Information

Reports and Publications

- Budget and Fiscal Plan, Estimates, Public Accounts, Quarterly Reports, and Financial and Economic Review: www.fin.gov.bc.ca/pubs.htm
- For more information and other Ministry Service Plans and Annual Service Plan Reports, please visit: www.bcbudget.gov.bc.ca/2011/default.htm
- For other reports and publications of the British Columbia Ministry of Finance, please visit: www.fin.gov.bc.ca/pubs.htm

The Minister of Finance is also the Minister responsible for the following Crown corporations, Boards, Commissions and Advisory Committees:

Crown Corporations:

- Partnerships BC: www.partnershipsbc.ca/
- Pacific Carbon Trust Inc: www.pacificcarbontrust.com/
- BC Securities Commission: www.bcsc.bc.ca/
- Insurance Corporation of BC: www.icbc.com/

Boards and Commissions

- Board Resourcing and Development Office: www.fin.gov.bc.ca/brdo/
- Financial Institutions Commission: www.fic.gov.bc.ca/
- Financial Services Tribunal: www.fst.gov.bc.ca/
- Insurance Council of British Columbia: www.insurancecouncilofbc.com/PublicWeb/Home.html
- Public Sector Employers' Council: www.pssg.gov.bc.ca/psec/index.htm
- Real Estate Council of British Columbia: www.recbc.ca/

Advisory Committees:

- Accounting Policy Advisory Committee:
www.fin.gov.bc.ca/brdo/boardView.asp?boardNum=191095

Appendix A: *Legislation Administered by the Ministry*

The Minister of Finance and Deputy Premier is charged with the administration of the following enactments, presented alphabetically.

Auditor General Act
Balanced Budget and Ministerial Accountability Act
Bonding Act
British Columbia Railway Finance Act
Budget Transparency and Accountability Act
Business Corporations Act
Carbon Tax Act
Constitution Act ss. 25-27
Consumption Tax Rebate and Transition Act
Cooperative Association Act
Credit Union Incorporation Act
Creditor Assistance Act
Esquimalt and Nanaimo Railway Belt Tax Act
Financial Administration Act
Financial Information Act
Financial Institutions Act
Home Owner Grant Act
Hotel Room Tax Act
Income Tax Act
Income Trust Liability Act
Indian Self Government Enabling Tax Act
Insurance (Captive Company) Act
Insurance (Marine) Act
Insurance Act
Insurance (Vehicle) Act
Insurance Corporation Act, except Part 2
Insurance Premium Tax Act
International Business Activity Act
Land Tax Deferment Act
Logging Tax Act
Manufactured Home Act
Ministry of Consumer and Corporate Affairs Act
Miscellaneous Registrations Act, 1992
Mortgage Brokers Act
Motor Fuel Tax Act
Mutual Fire Insurance Companies Act
Partnership Act

Pension Agreement Act
Pension Benefits Standards Act
Pension Fund Societies Act
Personal Property Security Act
Petroleum and Natural Gas Act ss. 74-77
Ports Property Tax
Probate Fee Act
Property Transfer Tax Act
Public Service Act
Public Sector Employers Act
Public Sector Pension Plans Act
Real Estate Development Marketing Act
Real Estate Services Act
Regulatory Reporting Act
Repairers Lien Act
Sechelt Indian Government District Home Owner Grant Act
Securities (Forged Transfer) Act
Securities Act
Securities Transfer Act
Senior Citizens Automobile Insurance Grant Act
Social Service Tax Act
Society Act
South Coast British Columbia Transportation Authority Act
Special Accounts Appropriation and Control
Taxation (Rural Area) Act
Tobacco Tax Act
Unclaimed Property Act
Warehouse Lien Act
Warehouse Receipt Act

The Minister of Finance and Deputy Premier is charged with the administration of the following enactments in areas related to revenue management processes only.

Forest Act
Forest and Range Practices Act
Forest Practices Code of British Columbia Act
Forest Stand Management Fund Act
Homeowner Protection Act
Medicare Protection Act
Mineral Land Tax Act
Mineral Tax Act
Ministry of Forests and Range Act
Petroleum and Natural Gas Act
Range Act
School Act
Wildfire Act

BC Public Service Agency

Purpose of the Agency

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

Strategic Context

The BC Public Service is the largest corporate workforce in the province, serving over 280 communities across British Columbia. From frontline workers to accountants and architects, researchers and analysts, information technology professionals and others, there is virtually no area of expertise unrepresented. Public servants provide a wide range of services to British Columbians such as health care, public safety, education, and environmental management, to name a few.

The BC Public Service Agency supports the work that these public servants do by providing human resources services (such as hiring, payroll, labour relations and learning) to the BC Public Service. In doing so, it helps ensure that the BC Public Service continues to have the right people to do that work. Some internal and external factors impacting the BC Public Service Agency's work toward this goal are:

Internal Factors

- In 2012 and 2013, the projected workforce is expected to shrink slightly and stabilize at approximately 25,600 employees for the following eight years.
- The government must be a flexible and creative employer to respond to the changing needs and expectations of the new workforce.
- The [2010/11 Corporate Human Resource Plan](#)⁶ lays out a plan for building the kind of workplace the BC Public Service needs in order to continue to have the skilled employees needed now and in the future.

External Factors

- The BC Public Service is operating in a local, national and global market to attract talent.
- Falling birth rates lead to increased competition for labour in all sectors of the province; this has been intensified by our aging population that is causing the labour force to shrink.
- Over the next ten years, BC is expected to have one million job openings — 350,000 more openings than people graduating from high school.
- Skilled employees expect an engaging work environment, good career growth, learning and development opportunities and competitive salaries and benefits.

⁶For more information refer to: <http://www.bcpublicserviceagency.gov.bc.ca/download/2010plan.pdf>

Goals, Objectives, Strategies and Performance Measures

Goal 1: Public Service Transformation – Innovative workforce solutions that enable the BC Public Service to deliver services expected and needed by British Columbians.

Objective 1.1: Modernized, responsive and flexible management of human resources .

Objective 2.2: Strategically aligned resources, investments and data in the delivery of human resource services.

Objective 2.3: Focused and purposeful investment in human resources.

Objective 2.4: The goals of the Corporate Human Resource Plan for the BC Public Service, *Being the Best*, are realized.

Strategies

- Transform the delivery of human resource services to align with leading practices, reduce HR transactional costs, improve service quality and redirect funding to specialized services.
- Support the implementation of a corporate diversity and inclusiveness strategy to ensure the BC Public Service better reflects and is more responsive to the needs of citizens and communities.
- Develop and implement a Corporate Learning Strategy that supports building a culture of learning across the BC Public Service to ensure the BC Public Service is equipped with the skills required to meet the needs of British Columbians.
- Implement a Health and Productivity Strategy to avoid Public Service benefit cost increases due to illness and disability.
- Develop and implement a supervisory certification program that not only differentiates but appropriately supports potential, new, intermediate and senior supervisors to ensure a strong capable public service, supported by strong capable management.
- Implement a new performance management program to ensure that employees have the ability to develop and address performance management issues in a positive and motivating manner.
- Continue to develop *Being the Best*, the Corporate Human Resource Plan for the BC Public Service, based on feedback and results.

- Negotiate new collective agreements with enhancements funded by efficiencies and cooperative gains.

Performance Measure 1: Manager satisfaction with human resource services

Performance Measure	2010/11 Baseline	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target
Manager satisfaction of human resource services	62%	62%	90%	90%	90%

Data Source: BC Public Service Agency

Discussion

The Public Service Agency obtains feedback from executives, managers and supervisors through satisfaction surveys. Manager satisfaction is an indicator of whether the leadership, expertise and services are effectively contributing to better performance of ministries and government as a whole. Managers are surveyed on the services they receive from the Public Service Agency such as hiring or labour relations.

This performance measure refers to an overall level of satisfaction provided by randomly selected managers. This is an important measure as it allows the Agency to determine how well it is doing in meeting the expectations of a key customer group.

Performance Measure 2: Average time to hire

Performance Measure	2010/11 Baseline	2011/12 Forecast	2012/13 Target	2013/14 Target	2014/15 Target
Average time to hire	38 days	41 days	40 days	40 days	40 days

Data Source: BC Public Service Agency

Discussion

The average time to hire is an indicator of the efficiency and timeliness of government’s recruiting processes. Reducing the average time to hire means better service to hiring managers and applicants, less effort managing vacancies and greater operational efficiency.

This performance measure refers to the average length of time that elapses from the date a hiring manager submits a job posting to the date a candidate is offered the position. Reducing the average time to hire is a key outcome for the Hiring Centre, which provides corporate hiring services for the BC Public Service.

Resource Summary Table

Core Business Area	2011/12 Restated Estimates ¹	2012/13 Estimates	2013/14 Plan	2014/15 Plan
Operating Expenses (\$000)				
<i>Public Service Agency</i>				
<i>Total</i>	51,163	51,163	51,163	51,163
<i>Benefits</i>	1	1	1	1
TOTAL	51,164	51,164	51,164	51,164
Capital Plan (\$000)				
<i>Public Service Agency</i>	0,000	0,000	0,000	0,000
<i>Total</i>	0,000	0,000	0,000	0,000

¹ For comparative purposes, amounts shown for 2011/12 have been restated to be consistent with the presentation of the 2012/13 Estimates.

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<http://www.bcpublicserviceagency.gov.bc.ca/>

Appendix A: *Legislation Administered by the Agency*

Public Service Act

Public Service Benefit Plan Act

Public Service Labour Relations Act

Appendix 1: The Public Sector Employers' Council and Employer Associations

Public Sector Employers' Council

The Public Sector Employers' Council (PSEC) supports government in setting and coordinating strategic directions in labour relations for the broad public sector and is the government partner in the four British Columbia public sector pension plans⁷. PSEC is also active in the area of public sector pension plan management.

PSEC's authority related to labour relations is contained in the [Public Sector Employers Act](#)⁸. This authority includes administering and managing the development and implementation of labour relations policies and practices in the British Columbia public sector. In addition, PSEC supports the Minister of Finance – the Minister responsible for PSEC – in directing employers to create compensation plans for both excluded and executive employees that include compensation, wages, benefits and perquisites.

PSEC's authority related to pension plans is based on the [Public Sector Pension Plans Act](#)⁹ and joint trust agreements. It includes representing government in its role as a partner in the plans, working with other partners involved in the plans to ensure the sustainability of the plans, monitoring government's risk exposure and providing policy advice to both government and public sector employers.

Current PSEC strategies to support government's management of public sector labour relations and fulfill its role with respect to the four public sector pension plans include:

- Developing and maintaining negotiating and executive compensation frameworks that incorporate government's fiscal, policy and program directions.
- Working with other plan partners and plan boards to accomplish the objectives of the Public Sector Pensions Framework.
- Continuing to improve the quality and reliability of data that support negotiations, and excluded and executive compensation.
- Continuing to expand strategic labour relations and pension capacity in the provincial government.

⁷ The four pension plans contained in the act are: [College Pension Plan](#), [Municipal Pension Plan](#), [Public Service Pension Plan](#), [Teachers' Pension Plan](#). For more information see [PensionsBC.ca](#).

⁸ For more information refer to: http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_96384_01.

⁹ For more information refer to: http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_99044_01.

Employer Associations

The employer associations funded by the Public Sector Employers' Council include: the British Columbia Public School Employers' Association (BCPSEA)¹⁰, the Community Social Services Employers' Association (CSSEA)¹¹, the Health Employers' Association of British Columbia (HEABC)¹², and the Post Secondary Employers' Association (PSEA)¹³. The Crown Corporation Employers' Association (CCEA)¹⁴ is funded by contributions from its members.

The mandates and purposes of these associations are found in sections 6 and 7 of the *Public Sector Employers Act*.

Their governance structures are as follows:

- BCPSEA has a board of up to 15 members. Nine of these members are school trustees who are elected to the board annually; up to four are appointed by the provincial government; and two non-voting members are appointed, one each, by the British Columbia Association of School Business Officials and the British Columbia School Superintendents Association.
- CCEA has a board of up to 11 directors. Eight of its members are elected or appointed from among member employers; two are appointed by the provincial government; and the Chair is elected from Chief Executive Officers of member employers.
- CSSEA has a board of up to 11 directors. Up to seven of these directors are appointed by representatives of social service agencies; one is appointed by Community Living British Columbia; and up to three are appointed by the provincial government.
- HEABC has an 11-person board. Six of its members are appointed from the health authorities; two by the provincial government; and one each from proprietary care providers, affiliated care providers and denominational care providers.
- PSEA has a 10-person board. Six of its members are elected annually from member employers; two are appointed by the provincial government; and two non-voting members are the Chair and Vice-chair of the PSEA's Standing Committee on Human Resource Practices.

Forecast Employer Association Expenditures

Forecast Expenditures (\$000)			
2011/12	2012/13	2013/14	2014/15
23,216	26,510	25,245	25,555

¹⁰ www.bcpsea.bc.ca

¹¹ www.cssea.bc.ca

¹² www.heabc.bc.ca

¹³ www.psea.bc.ca

¹⁴ <http://cceabc.com/>