

Department of Finance Canada

2018–19

Departmental Plan

The Honourable William F. Morneau P.C., M.P.
Minister of Finance

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Minister's message

I am pleased to present the 2018–19 Departmental Plan for the Department of Finance Canada.

The Department of Finance Canada is committed to helping steer Canada toward a more prosperous, inclusive and sustainable economic future. The Department operates with the understanding that investing in the economy so that it works for the middle class and those working hard to join it gives all Canadians a real and fair chance at success. This report provides information on how the Department of Finance Canada will use its resources to deliver results for Canadians by focusing on four priority areas:



Sound fiscal management, to ensure that the revenue to support investments in Canadian social and economic priorities is raised and spent in a fair, responsible and efficient way.

Inclusive and sustainable economic growth, to create the conditions necessary for strong, long-term and clean economic growth, thereby increasing Canadians' standard of living and well-being.

Sound social policy framework, to support the government's efforts to promote equality of opportunity for all citizens across the country and to meet the government's priorities for promoting jobs and economic growth.

Effective international engagement, to advance Canada's leadership internationally, with a focus on trade.

The investments the Government has made in its people, communities and the economy are working: Canada has the fastest-growing economy in the G7 and has enjoyed its best job growth in 15 years.

The Government remains committed to sound fiscal management, balancing the need to make smart investments to support long-term economic growth while preserving Canada's low-debt advantage for current and future generations. Federal public finances continue to be sustainable, with the debt-to-GDP (gross domestic product) ratio projected to remain on a downward track.

Internationally, Canada is continuing to build confidence in the middle class by deepening engagement with countries around the world and focusing on key partnerships that will help build an economy that works for all Canadians. To this end, Canada will play a leadership role through its 2018 presidency of the G7 and its role as co-chair of the G20 Framework for Strong, Sustainable and Balanced Growth Working Group.

As Minister of Finance, I remain committed to ensuring that as Canada’s economy grows, we will provide all Canadians an opportunity to contribute to and benefit from this growth. That means continuing to make smart investments in people and communities to ensure continued progress for the middle class. That also means investing in lifelong learning to give Canadians the tools they need to find good, well-paying jobs in the economy of tomorrow.

I invite parliamentarians and Canadians to read our 2018–19 Departmental Plan to learn more about the fiscal and economic policies that contribute to our shared economic and social goals.

The Honourable William F. Morneau, P.C, M.P.
Minister of Finance

Plans at a glance

The Department of Finance Canada will focus its attention and resources on the four priorities below that collectively summarize its planned results for the 2018–19 fiscal year. These priorities stem from the Department’s operating environment, its risks and opportunities, as well as government-wide priorities and mandate letter commitments.

Sound fiscal management

Ensure effective management of the economic and fiscal framework, including responsible management of the federal budget and the federal debt, and provide advice on measures to enhance the fairness, neutrality, competitiveness and efficiency of Canada’s tax system:¹

- ▶ Continue to ensure a sound economic and fiscal framework through a fiscal management approach that is realistic, sustainable, prudent and transparent
- ▶ Develop recommendations aimed at improving the fairness, neutrality, competitiveness and efficiency of the tax system, and develop options to strengthen support for Canadian families and workers¹
- ▶ Efficiently manage the federal government’s currency, debt and international reserves

The Department will focus on sound fiscal management to ensure that the revenue to support investments in Canadian social and economic priorities is raised and spent in the fairest and most efficient way possible. Actions in this area support financial stability, sustainable growth, competitiveness and economic prosperity, and ensure fairness for future generations.

Inclusive and sustainable economic growth²

Continue to play a leadership role in developing policies that encourage productivity, growth and labour force participation. Provide opportunities for everyone to participate in the economy and benefit from economic growth by helping to maintain financial stability and ensuring that growth today is not achieved at the expense of future prosperity:

- ▶ Review the legislative framework governing federally regulated financial institutions to ensure continued alignment with the objectives of financial stability, competition and utility, and to support Canada’s international trade and investment interests
- ▶ Provide policy advice on the system of domestic housing finance, payment systems issues, pensions, and anti-money laundering and anti-terrorist financing frameworks
- ▶ Support the Government of Canada’s economic agenda by providing evidence-based analysis, research and advice on potential initiatives in various economic sectors¹

1. This planned activity relates to a mandate letter commitment.

2. This planned activity relates to a government-wide priority.

The Department will focus on creating the conditions necessary for strong, inclusive, sustainable, long-term and clean economic growth, thereby increasing Canadians' standard of living and well-being. Actions in this area also support financial stability and maintain the safety and soundness of the financial system.

Sound social policy framework

Manage the major transfer payment programs to provinces and territories, and continue to work collaboratively with departments, other central agencies and provincial partners to develop policy proposals that are consistent with, and deliver on, the government's social policy priorities:

- ▶ Work with other government departments to support reconciliation with Indigenous peoples, including the establishment of a new fiscal relationship with Indigenous governments¹
- ▶ Ensure that the major transfer payment programs are sustainable and effective for all Canadians
- ▶ Organize and convene a meeting of federal, provincial and territorial finance ministers to discuss issues of shared interest

The Department will focus on ensuring a sound social policy framework to support the government's efforts to promote equality of opportunity for all citizens across the country and to meet the government's priorities for promoting jobs and economic growth. Actions in this area also respond to current and emerging issues related to social policy and major transfer payment programs.

Effective international engagement

Support the government in maintaining Canada's leadership and engagement globally, while deepening its trading relationships:

- ▶ Play a leadership role through Canada's 2018 presidency of the G7 and role as co-chair of the G20 Framework for Strong, Sustainable and Balanced Growth Working Group
- ▶ Organize and convene the G7 Finance Ministers and Central Bank Governors meetings
- ▶ Advance and implement Canada's trade policy framework, including bilateral, regional and multilateral trade negotiations¹

The Department will focus on effective international engagement to contribute to the stability of the global economy. Actions in this area aim to maintain secure and open borders, strengthen inclusive global growth, and support the stability of the global financial sector.

For more information on the Department of Finance Canada's plans, priorities and planned results, see the "Planned results" section of this report.

Planned results: what we want to achieve this year and beyond

Core Responsibilities

Economic and Fiscal Policy

Description

Develop the federal budget and Fall Economic Statement, as well as provide analysis and advice to the Government of Canada on economic, fiscal and social policy; federal-provincial relations, including the transfer and taxation payments; the financial sector; tax policy; and international trade and finance.

Planning highlights

The Department of Finance Canada will continue to support the government's economic policy agenda by providing high-quality and timely analysis and advice on broad macroeconomic and fiscal policies, tax and tariff policy, financial sector policy, and the economic implications associated with sectoral, regional and microeconomic policy issues, policies and programs.

The Department will ensure strong fiscal management by supporting the implementation of legislative proposals aimed at improving the fairness and neutrality of the tax system through measures to limit income sprinkling using private corporations and to limit tax deferral opportunities using passive investments made within private corporations.¹

To address climate change, the Department will be responsible for implementing the fuel charge component of the federal carbon pollution pricing system.¹ The proposed system will apply in provinces or territories upon request and in provinces and territories that do not have a carbon pollution pricing system in place in 2018 that meets the

Support for families and workers: the Canada Child Benefit,¹ and the Canada Workers Benefit

In 2016, the Government of Canada introduced a new Canada Child Benefit (CCB), a simpler, more generous, better-targeted benefit that is entirely tax-free. To strengthen support for Canadian families, the government proposes to accelerate the indexation of the CCB's benefit amounts and phase out thresholds by two years, to July 2018. The CCB is particularly beneficial for families led by single parents and, in particular, by single mothers.

To strengthen support for low-income workers, the government proposes to make the Canada Workers Benefit (CWB, formerly the Working Income Tax Benefit) more generous and accessible starting in 2019. Taking into account previously announced enhancements to the benefit, CWB enhancements and increased accessibility will mean that the government is investing almost \$1 billion of new funding for the benefit in 2019, relative to 2018.

federal standard. Carbon pollution pricing will apply to a broad set of emission sources throughout Canada, and will become increasingly stringent over time.

To keep cannabis out of the hands of children, and profits out of the hands of criminals, the Department will continue to support the government's commitment to legalize, regulate and restrict access to cannabis.¹ A federal excise duty framework will be established once legal cannabis for non-medical purposes becomes accessible for retail sale. The Department will also work with provincial and territorial officials to implement the December 11, 2017, agreement on cannabis taxation.

The Department will continue to support the implementation of the new multilateral standard for the automatic exchange of tax information and a new system of country-by-country reporting for large multinational enterprises. It will continue to negotiate and renegotiate international tax treaties to promote trade and investment and reduce the risk of double taxation in accordance with Canadian tax treaty policy. The Department will also continue to monitor corporate tax changes by Canada's key competitors and to evaluate and provide advice on the international competitiveness of Canada's corporate tax system.²

To help create the conditions for inclusive and sustainable economic growth, the Department will work to implement the government's agenda in economic sectors such as agri-food and clean technology, by providing high-quality and timely analysis and advice on the fiscal and economic implications of sectoral and microeconomic programs and policies. The Department will also assist with implementing policies related to the new Innovation and Skills Plan. In addition, the Department will continue to work with Infrastructure Canada on its implementation of the Canada Infrastructure Bank.

The Department will promote measures that support strong and sustainable growth, with attention to policies that facilitate investment in social programs. To ensure that social programs remain sustainable and effective for Canadians, the Department will continue to collaborate with departments and central agencies to review policy proposals that are consistent with, and deliver on, the government's priorities in areas such as labour markets, Indigenous and Northern issues, justice, public safety, health, arts and culture, and income security. In particular, the Department will work with other government departments to support reconciliation with Indigenous peoples, including the establishment of a new fiscal relationship with Indigenous governments. The Department will also work with provinces and territories to manage the major transfer payment programs to ensure that those programs are sustainable and effective for all Canadians.

A sound, efficient and competitive financial sector provides a solid foundation for the savings and investment needs of Canadians, businesses and the economy as a whole. The Department will review and continue to refine the financial sector policy framework to align it with the objectives of financial stability, competition and utility. In so doing, the Department will provide

advice on a range of financial sector policy issues, including a review of the financial institution statutes, measures to inform and protect consumers of financial products and services, the system of domestic housing finance, the oversight of payment systems, pensions, and anti-money laundering and anti-terrorist financing frameworks.

In 2018–19, the Department will participate in the International Monetary Fund’s assessment of the stability and soundness of Canada’s financial sector. The Department will launch a review of the Canadian Payments Act, and support the parliamentary review of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. The Department will support Canada’s international financial services trade and investment interests. The Department will continue efforts to finalize and implement the G20-led financial sector reforms to realize the benefits of a sound and resilient global financial system, and will promote the federal-provincial agreement to establish a cooperative Capital Markets Regulatory System.

The Department will continue to support the government in maintaining Canada’s leadership and engagement globally, while deepening its trading relationships. This support will ensure the current and future prosperity of Canadians through the maintenance and expansion of the rules-based global trading system and financial international order. As part of its global leadership, Canada will assume the presidency of the G7 in 2018, for which the Department will play a key policy and advisory role to the Minister of Finance. As part of its global engagement, the Department will support bilateral, regional and multilateral trade negotiations and will pursue efforts to advance and implement Canada’s trade policy framework in a manner that encourages inclusive trade growth. Canada’s elimination of tariffs through free trade agreements and other measures would lead to a reduction in the complexity and incidence of tariffs, contributing to its ranking in the domestic market access pillar of the World Economic Forum Global Enabling Trade Report.

To support the implementation of Canada’s new Feminist International Assistance Policy, the Department will continue to work with other government departments to modernize Canada’s approach to international assistance funding, including the advancement of innovative financing tools for development. The Department will also continue to provide leadership on Canada’s engagement with multilateral development banks to ensure strong governance and optimization of resources to maximize development impact.

The Department will continue to identify opportunities for experimentation with new approaches to improve its ability to deliver on plans and priorities. In support of this commitment, the Department will foster a work environment conducive to experimentation, innovation and intelligent risk-taking, and will identify Program funds devoted to these activities. The Department will use its existing integrated planning process to ensure that commitments to experimentation and innovation are identified and funded, risks and opportunities are assessed,

performance is monitored and measured, lessons learned are shared, and results are disseminated. The integrated planning process ensures a systematic, transparent and fully documented approach to departmental decision-making and resource allocation, through the organization and its formal governance structure.

The Department's planned results respond to complex and horizontal issues that require ongoing discussions, consultations and coordination with central agencies, other departments and governments, and external stakeholders. The Department will need to maintain high-level engagement and strong collaborative relationships with domestic and international partners to succeed in fulfilling its commitments and delivering for Canadians. The Department will continue to strengthen analytical capacity, which has been key to ensuring that the Minister and senior officials are equipped to make informed decisions.

Planned results

Departmental Results	Departmental Result Indicators	Target	Date to achieve target	2014–15 Actual results*	2015–16 Actual results*	2016–17 Actual results*
Canadians enjoy stronger, more sustainable and inclusive economic growth that contributes to higher standards of living.	1.1 Gross domestic product per capita (ranking among the Organisation for Economic Co-operation and Development (OECD) countries)	Ranking among the countries with the 15 highest levels of Gross domestic product per capita.	2018–19	Not applicable	Not applicable	Not applicable
	1.2 Employment rate among the population age 15 to 64 (ranking among the OECD countries)	Ranking among the countries with the 15 highest employment rates	2018–19	Not applicable	Not applicable	Not applicable
	1.3 Real disposable income across income groups†	Growth is broad-based across income groups.	2018–19	Not applicable	Not applicable	Not applicable

Departmental Results	Departmental Result Indicators	Target	Date to achieve target	2014–15 Actual results*	2015–16 Actual results*	2016–17 Actual results*
Canada's public finances are sound, sustainable and inclusive.	2.1 Federal Debt-to-Gross domestic product (GDP) ratio	Stable over the medium-term (defined as the end of the 5-year projection period for the budget).	2018–19	Not applicable	Not applicable	Not applicable
	2.2 The annual Federal Budget includes an assessment of the impact of new expenditure and revenue measures on different groups of women and men	Presence of a clear "Gender Statement" in the annual budget document, where the impact of budgetary measures is presented from a gender perspective.	2018–19	Not applicable	Not applicable	Not applicable
Canada has a fair and competitive tax system.	3.1 Taxes on labour income	Lower than the G7 average	2018–19	Not applicable	Not applicable	Not applicable
	3.2 Total business tax costs	Lower than the G7 average	2018–19	Not applicable	Not applicable	Not applicable
Canada has a sound and efficient financial sector.	4.1 Percentage of leading international organizations and major ratings agencies that rate Canada's financial policy framework as favourable	100%	2018–19	Not applicable	Not applicable	Not applicable
	4.2 Ranking of Canada's financial sector in the World Economic Forum's Global Competitiveness Report	Above the G7 average	2018–19	Not applicable	Not applicable	Not applicable

Departmental Results	Departmental Result Indicators	Target	Date to achieve target	2014–15 Actual results*	2015–16 Actual results*	2016–17 Actual results*
The Government of Canada's borrowing requirements are met at a low and stable cost to support an effective management of the federal debt on behalf of Canadians.	5.1 Percentage of the Government's borrowing requirements met within the fiscal year	100%	2018–19	Not applicable	Not applicable	Not applicable
	5.2 Canada's sovereign rating	Equal to or better than the G7 average	2018–19	Not applicable	Not applicable	Not applicable
The Government of Canada effectively supports provinces, territories and Indigenous governments.	6.1 Degree to which timely statutory federal transfer programs assist and support provincial and territorial governments in delivering important public services, including accessible and quality health care (on a scale of 1 to 5)	To be determined (The target will be developed in 2018 for use in the 2019–20 reporting period.)	2018–19	Not applicable	Not applicable	Not applicable
	6.2 Degree to which payment issues identified with respect to tax agreements with provinces, territories and Indigenous governments are addressed (on a scale of 1 to 4)	2 (mostly addressed)	2018–19	Not applicable	Not applicable	Not applicable

Departmental Results	Departmental Result Indicators	Target	Date to achieve target	2014–15 Actual results*	2015–16 Actual results*	2016–17 Actual results*
Canada maintains its leadership and engagement globally and deepens its trading relationships.	7.1 Canada's ranking in the domestic market access pillar of the World Economic Forum Global Enabling Trade Report	Best of G7 countries	2018–19	Not applicable	Not applicable	Not applicable
	7.2 Percentage of Finance Canada's international assistance payments that are publicly reported on a monthly basis to support aid transparency.	100%	2018–19	Not applicable	Not applicable	Not applicable

* As required by the Treasury Board Policy on Results, the Department introduced a new performance measurement framework in 2018–19. Consequently, actual results for the current targets are not presented for the fiscal years shown in the table.

† Indicator 1.3 measures inflation-adjusted growth in disposable household incomes across five income groups, ranging from the bottom 20% to the top 20%. Household income is adjusted for household size by dividing household income by the square root of the household size.

Budgetary financial resources (dollars)

2018–19 Main Estimates	2018–19 Planned spending	2019–20 Planned spending	2020–21 Planned spending
93,932,481,327	93,932,481,327	98,799,238,604	103,233,454,126

Human resources (full-time equivalents)

2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents
534	530	525

Financial, human resources and performance information for the Department of Finance Canada's Program Inventory is available in the [GC InfoBase](#).ⁱ

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of Programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Budgetary financial resources (dollars)

2018–19 Main Estimates	2018–19 Planned spending	2019–20 Planned spending	2020–21 Planned spending
39,069,589	39,069,589	38,099,889	38,207,225

Human resources (full-time equivalents)

2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents
228	228	228

Planning highlights

Building a healthy, diverse and productive workforce

The Department of Finance Canada must be able to attract, retain and develop a talented, diverse and representative workforce to be able to respond to increasing demands for sound and timely policy analysis and advice. The Department will therefore continue to invest in human capital, define diversity goals, and manage talent through recruitment, performance management, learning plans, development programs, mentoring and job shadowing. It will develop recruitment and workplace practices in support of diversity and inclusion, and will continue to monitor and assess representation, recruitment, promotion and retention rates to ensure that these practices are effective. The Department will also implement human resources plans and priorities in support of a healthy work environment that is free from harassment and discrimination.

Modernize information management and information technology tools and strengthen infrastructure and information security

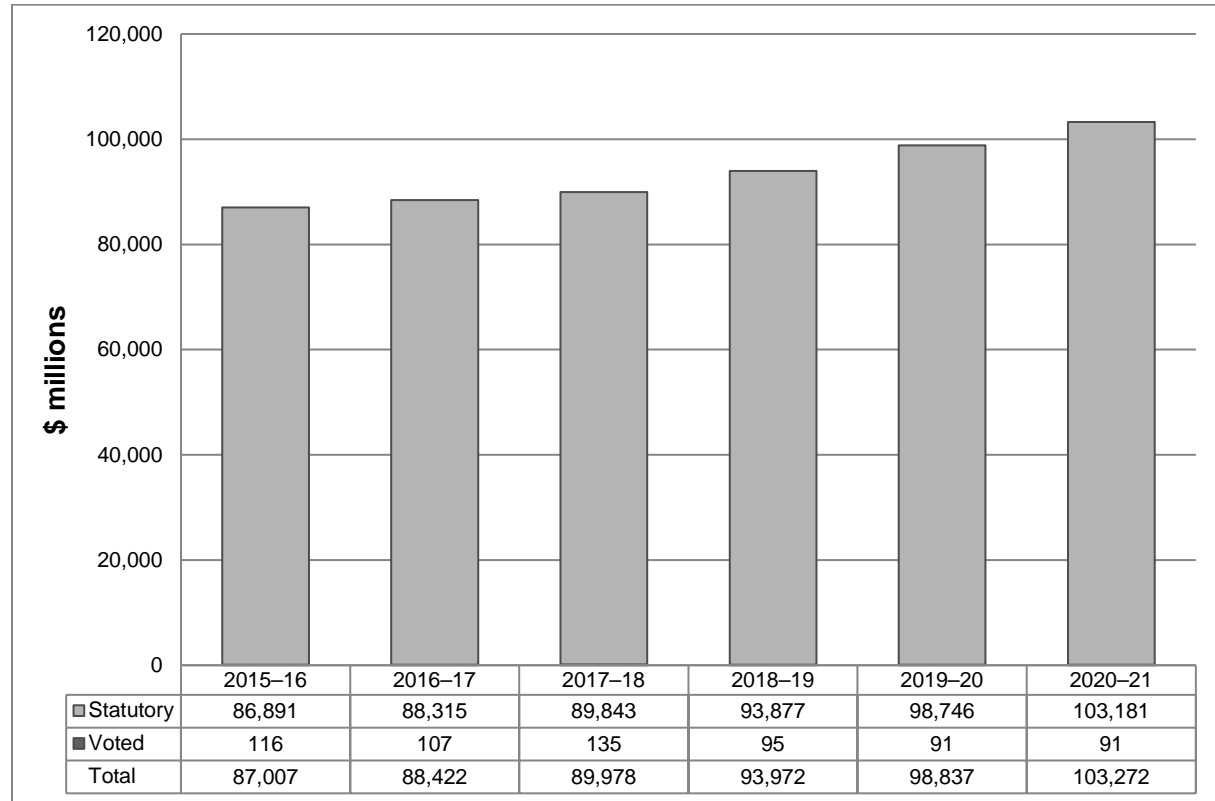
The Department will continue to implement departmental and government-wide solutions to modernize its information management (IM) and information technology (IT) tools to enhance business effectiveness, collaboration and mobility (for example, SharePoint, tablets and

smartphones), while further strengthening its infrastructure and information security. The Department will continue to manage IT investments and priorities while supporting the implementation of government-wide modernization and transformation activities in the areas of IT Security, Cloud Services, Information Management (for example, Open Government and GCDOCS), and Enterprise Architecture. In partnership with Shared Services Canada, the Department will continue to enhance its IT infrastructure to ensure a stable IT network and effective protection of information assets.

Spending and human resources

Planned spending

Departmental spending trend graph



Budgetary planning summary for Core Responsibilities and Internal Services (dollars)

Core Responsibilities and Internal Services	2015–16 Expenditures	2016–17 Expenditures	2017–18 Forecast spending	2018–19 Main Estimates	2018–19 Planned spending	2019–20 Planned spending	2020–21 Planned spending
Economic and Fiscal Policy	86,963,503,806	88,379,210,698	89,932,424,364	93,932,481,327	93,932,481,327	98,799,238,604	103,233,454,126
Subtotal	86,963,503,806	88,379,210,698	89,932,424,364	93,932,481,327	93,932,481,327	98,799,238,604	103,233,454,126
Internal Services	43,808,353	42,341,540	45,628,506	39,069,589	39,069,589	38,099,889	38,207,225
Total	87,007,312,159	88,421,552,238	89,978,052,870	93,971,550,916	93,971,550,916	98,837,338,493	103,271,661,351

Economic and Fiscal Policy

The cumulative increase of \$13.2 billion in planned spending from 2017–18 to 2020–21 relates to:

- ▶ legislated and forecast increases for the Canada Health Transfer and Fiscal Arrangements with Provinces and Territories (\$7.4 billion) transfer payment programs
- ▶ an increase in market debt resulting from the upward revision of interest rates forecast by private sector economists, consistent with the 2017 Fall Economic Statement (\$5.8 billion)

Internal Services

The \$3.3 million increase in planned spending from 2016–17 to 2017–18 relates to retroactive pay for collective bargaining increases.

Planned spending from 2017–18 to 2019–20 is expected to decrease, primarily because of a reduction in legal funding for the Cooperative Capital Markets Regulatory System Initiative and the Financial Sector Legislative Review.

Planned human resources

Human resources planning summary for Core Responsibilities and Internal Services (full-time equivalents)

Core Responsibilities and Internal Services	2015–16 Actual full-time equivalents	2016–17 Actual full-time equivalents	2017–18 Forecast full-time equivalents	2018–19 Planned full-time equivalents	2019–20 Planned full-time equivalents	2020–21 Planned full-time equivalents
Economic and Fiscal Policy	476	480	528	534	530	525
Subtotal	476	480	528	534	530	525
Internal Services	271	254	249	228	228	228
Total	747	734	777	762	758	753

The increase in full-time equivalents from 2016–17 to 2017–18 is mainly attributable to the increase in resources to continue to support a resilient financial sector and to aid in the implementation of the Canada Infrastructure Bank. The Minister of Finance also received resources to support his role as host of the G7 Finance Ministers and Central Bank Governors meetings in 2018, a permanent feature of the G7 process. The decline in full-time equivalents in 2018–19 for Internal Services reflects resources funded in 2017–18 from the departmental carry forward, which is a temporary source of funds.

Estimates by vote

For information on the Department of Finance Canada's organizational appropriations, consult the [2018–19 Main Estimates](#).ⁱⁱ

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of the Department of Finance Canada's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Departmental Plan are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on the [Department of Finance Canada's website](#).ⁱⁱⁱ

Future-Oriented Condensed Statement of Operations
for the year ending March 31, 2019 (dollars)

Financial information	2017–18 Forecast results	2018–19 Planned results	Difference (2018–19 Planned results minus 2017–18 Forecast results)
Total expenses	90,004,132,724	94,221,277,973	4,217,145,249
Total revenues	0	0	0
Net cost of operations before government funding and transfers	90,004,132,724	94,221,277,973	4,217,145,249

Supplementary information

Corporate information

Organizational profile

Appropriate minister: William F. Morneau

Institutional head: Paul Rochon

Ministerial portfolio: Department of Finance

Enabling instruments: the Minister of Finance has direct responsibility for a number of acts, and is assigned specific fiscal and tax policy responsibilities relating to other acts that are under the responsibility of other ministers, including the following:

- ▶ Financial Administration Act
- ▶ Income Tax Act
- ▶ Payment Clearing and Settlement Act
- ▶ Federal-Provincial Fiscal Arrangements Act
- ▶ First Nations Goods and Services Tax Act
- ▶ Customs Act
- ▶ Customs Tariff
- ▶ Excise Act, 2001
- ▶ Excise Tax Act
- ▶ Proceeds of Crime (Money Laundering) and Terrorist Financing Act
- ▶ Special Import Measures Act
- ▶ Bank of Canada Act
- ▶ Bank Act
- ▶ Cooperative Credit Associations Act
- ▶ Insurance Companies Act
- ▶ Trust and Loan Companies Act

Key legislation and acts are available on the [Justice laws website](#).^{iv}

Year of incorporation / commencement: 1867³

3. On July 1, 1867, the federal Finance portfolio was established and the first Minister of Finance was appointed. The Department of Finance Canada was created on June 22, 1869.

Raison d’être, mandate and role: who we are and what we do

“Raison d’être, mandate and role: who we are and what we do” is available on the [Department of Finance Canada’s website](#).^v

Operating context and key risks

Information on operating context and key risks is available on the [Department of Finance Canada’s website](#).^{vi}

Reporting framework

With the coming into force of the Treasury Board Policy on Results on July 1, 2016, the Department of Finance Canada was required to develop a Departmental Results Framework and a Program Inventory to replace the existing Strategic Outcome and Program Alignment Architecture. The new reporting framework consists of one Core Responsibility (Economic and Fiscal Policy). Through this Core Responsibility, the Department develops the federal budget and the Fall Economic Statement, and provides analysis and advice to the Government of Canada on economic, fiscal and social policy; federal-provincial relations, including transfers and taxation payments; the financial sector; tax policy; and international trade and finance.

The new reporting framework also reflects the horizontal role of the Department in supporting sustainable and inclusive growth, in part through its role in the budget process and, in particular, by ensuring that budget measures are fully considered from a gender-based analysis plus⁴ perspective. Finally, the new framework reflects the Department’s contribution to the stability of the financial services sector, the strength of Canada’s trading relationships, and the creation of a more stable global economy.

4. A definition of “gender-based analysis plus” is provided in the Appendix: definitions.

The Department of Finance Canada’s Departmental Results Framework and Program Inventory of record for 2018–19 are shown below:

Core Responsibility: Economic and Fiscal Policy			
Departmental Results Framework	Departmental Result: Canadians enjoy stronger, more sustainable and inclusive economic growth that contributes to higher standards of living.	Indicator: Gross domestic product per capita (ranking among the Organisation for Economic Co-operation and Development (OECD) countries)	Internal Services
		Indicator: Employment rate among the population age 15 to 64 (ranking among the OECD countries)	
		Indicator: Real disposable income across income groups	
	Departmental Result: Canada’s public finances are sound, sustainable and inclusive.	Indicator: Federal Debt-to-Gross domestic product (GDP) ratio	
		Indicator: The annual Federal Budget includes an assessment of the impact of new expenditure and revenue measures on different groups of women and men	
	Departmental Result: Canada has a fair and competitive tax system.	Indicator: Taxes on labour income	
		Indicator: Total business tax costs	
	Departmental Result: Canada has a sound and efficient financial sector.	Indicator: Percentage of leading international organizations and major ratings agencies that rate Canada’s financial policy framework as favourable	
		Indicator: Ranking of Canada’s financial sector in the World Economic Forum’s Global Competitiveness Report	
	Departmental Result: The Government of Canada’s borrowing requirements are met at a low and stable cost to support an effective management of the federal debt on behalf of Canadians.	Indicator: Percentage of the Government’s borrowing requirements met within the fiscal year	
		Indicator: Canada’s sovereign rating	
	Departmental Result: The Government of Canada effectively supports provinces, territories and Indigenous governments.	Indicator: Degree to which timely statutory federal transfer programs assist and support provincial and territorial governments in delivering important public services, including accessible and quality health care (on a scale of 1 to 5)	
		Indicator: Degree to which payment issues identified with respect to tax agreements with provinces, territories and Indigenous governments are addressed (on a scale of 1 to 4)	
	Departmental Result: Canada maintains its leadership and engagement globally and deepens its trading relationships.	Indicator: Canada’s ranking in the domestic market access pillar of the World Economic Forum Global Enabling Trade Report	
Indicator: Percentage of Finance Canada’s international assistance payments that are publicly reported on a monthly basis to support aid transparency			
Program Inventory	Program: Tax Policy and Legislation	Program: Canada Health Transfer	
	Program: Economic and Fiscal Policy, Planning and Forecasting	Program: Fiscal Arrangements with Provinces and Territories	
	Program: Economic Development Policy	Program: Tax Collection and Administration Agreements	
	Program: Federal-Provincial Relations and Social Policy	Program: Commitments to International Financial Organizations	
	Program: Financial Sector Policy	Program: Market Debt and Foreign Reserves Management	
	Program: International Trade and Finance Policy		

Concordance between the Departmental Results Framework and the Program Inventory, 2018–19, and the Program Alignment Architecture, 2017–18

2018–19 Core Responsibilities and Program Inventory	2017–18 Lowest-level program of the Program Alignment Architecture	Percentage of lowest-level Program Alignment Architecture program (dollars) corresponding to the Program in the Program Inventory
Core Responsibility 1: Economic and Fiscal Policy		
Program 1: Tax Policy and Legislation	1.1.1 Sub-Program: Taxation	100
Program 2: Economic and Fiscal Policy, Planning and Forecasting	1.1.2 Sub-Program: Economic and Fiscal Policy, Planning and Forecasting	100
Program 3: Economic Development Policy	1.1.3 Sub-Program: Economic Development Policy	100
Program 4: Federal- Provincial Relations and Social Policy	1.1.4 Sub-Program: Federal-Provincial Relations and Social Policy	100
Program 5: Financial Sector Policy	1.1.5 Sub-Program: Financial Sector Policy	100
Program 6: International Trade and Finance Policy	1.1.6 Sub-Program: International Trade and Finance	100
Program 7: Canada Health Transfer	1.2.1 Sub-Program: Fiscal Arrangements with Provinces and Territories	55
Program 8: Fiscal Arrangements with Provinces and Territories		45
Program 9: Tax Collection and Administration Agreements	1.2.2 Sub-Program: Tax Collection and Administration Agreements	100
Program 10: Commitments to International Financial Organizations	1.2.3 Sub-Program: Commitments to International Financial Organizations	100
Program 11: Market Debt and Foreign Reserves Management	1.3.1 Sub-Program: Federal Debt Management	100
	1.3.2 Sub-Program: Major Federal-Backed Entities' Borrowing	100
	1.3.3 Sub-Program: Prudential Liquidity and Reserves Management	100
	1.3.4 Sub-Program: Domestic Currency System	100
	1.2.4 Sub-Program: Receipts from and Payments to Individuals and Organizations	0

Supporting information on the Program Inventory

Supporting information on planned expenditures, human resources, and results related to the Department of Finance Canada's Program Inventory is available in the [GC InfoBase](#).ⁱ

Supplementary information tables

The following supplementary information tables are available on the [Department of Finance Canada's website](#).^{vii}

- ▶ Departmental Sustainable Development Strategy
- ▶ Details on transfer payment programs of \$5 million or more
- ▶ Gender-based analysis plus
- ▶ Horizontal initiatives
- ▶ Planned evaluation coverage over the next five fiscal years
- ▶ Upcoming internal audits for the coming fiscal year

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures](#).^{viii} This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

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Appendix: definitions

appropriation (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core Responsibility (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan (plan ministériel)

A report on the plans and expected performance of appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)

Any change or changes that the department seeks to influence. A Departmental Result is often outside departments' immediate control, but it should be influenced by Program-level outcomes.

Departmental Result Indicator (indicateur de résultat ministériel)

A factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework (cadre ministériel des résultats)

The department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (rapport sur les résultats ministériels)

A report on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

experimentation (expérimentation)

Activities that seek to explore, test and compare the effects and impacts of policies, interventions and approaches, to inform evidence-based decision-making, by learning what works and what does not.

full-time equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

gender-based analysis plus (GBA+) (analyse comparative entre les sexes plus [ACS+])

An analytical process used to help identify the potential impacts of policies, Programs and services on diverse groups of women, men and gender-diverse people. The “plus” acknowledges that GBA goes beyond sex and gender differences to consider multiple identity factors that intersect to make people who they are (such as race, ethnicity, religion, age, and mental or physical disability).

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2018–19 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government’s agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada’s Strength; and Security and Opportunity.

horizontal initiative (initiative horizontale)

An initiative in which two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (by Cabinet, a central agency, etc.) as a horizontal initiative for managing and reporting purposes.

non-budgetary expenditures (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

plan (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priority (priorité)

A plan or project that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Departmental Results.

Program (programme)

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

Program Alignment Architecture (architecture d'alignement des programmes)⁵

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

result (résultat)

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

5. Under the Policy on Results, the Program Alignment Architecture has been replaced by the Program Inventory.

Strategic Outcome (résultat stratégique)

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (programme temporisé)

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible)

A measurable performance or success level that an organization, Program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (dépenses votées)

Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

- i. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ii. 2017–18 Main Estimates, <http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/index-eng.asp>
- iii. Future-Oriented Statement of Operations, <https://www.fin.gc.ca/fs-ef/2018-eng.asp>
- iv. Justice laws website, <http://laws-lois.justice.gc.ca/eng/>
- v. Raison d’être, mandate and role: who we are and what we do, <https://www.fin.gc.ca/pub/dp-pm/2018-2019/remr-eng.asp>
- vi. Operating context and key risks, <https://www.fin.gc.ca/pub/dp-pm/2018-2019/ockr-corp-eng.asp>
- vii. Supplementary information tables, <https://www.fin.gc.ca/pub/dp-pm/2018-2019/st-ts01-eng.asp>
- viii. Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>