

Department of Finance Canada

2020–21

Departmental Plan

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

The Honourable Mona Fortier P.C., M.P.
Minister of Middle Class Prosperity and
Associate Minister of Finance

©Her Majesty the Queen in Right of Canada (2020) All rights reserved

All requests for permissions to reproduce this document or any part thereof shall be address to the Department of Finance Canada.

Cette publication est également disponible en français.

Cat No. F1-54E-PDF

ISSN: 2371-7580

Table of contents

Ministers' Message.....	4
Plans at a glance	6
Core responsibilities: planned results and resources	9
Economic and Fiscal Policy.....	9
Internal Services: planned results and resources.....	19
Spending and human resources.....	21
Planned spending	21
Planned human resources.....	23
Estimates by vote.....	24
Condensed future-oriented statement of operations.....	24
Corporate information	25
Organizational profile.....	25
Raison d'être, mandate and role: who we are and what we do	26
Operating context	26
Reporting framework	27
Supporting information on the program inventory	29
Supplementary information tables	29
Federal tax expenditures	29
Organizational contact information	29
Appendix: definitions	31
Endnotes	34

Ministers' Message

We are pleased to present the 2020–21 Departmental Plan for the Department of Finance Canada.

Since 2015, the Government has been focused on middle–class Canadians, and what people need to build a better future for themselves and their families. In that time, working together, we have made a lot of progress.

This report provides detailed information on how the Department of Finance Canada will use its resources to contribute to a strong economy and sound public finances for Canadians, by continuing to focus on four priority areas: sound fiscal management; strong, inclusive and sustainable economic growth; sound social policy framework; and effective international engagement.

The Government is committed to moving forward to implement a plan to help make housing more affordable; fight climate change; and to continue to lead on ensuring a price on carbon pollution is applied everywhere in this country, while working with partners to further reduce greenhouse gas emissions. We will also deliver a responsible fiscal plan that invests in people and in the things that give people a better quality of life, while building confidence in Canada's economy.

We have made considerable progress in strengthening the middle class and creating economic opportunities for all Canadians. As the first act of its new mandate, the Government proposed to cut taxes for all but the wealthiest Canadians, giving more money to the middle class and those who are working hard to join it.

The investments the Government has made in people, communities and the economy are working. Canada's economy is strong and growing. Canada is expected to be the second-fastest growing economy in the Group of Seven (G7) in 2020.

We remain committed to ensuring that as Canada's economy grows, we will provide all Canadians with an opportunity to contribute and benefit from this growth. There is much more work to be done to build an economy that truly works for everyone. Over the coming year, we will remain focused on our ambitious plan to continue to grow the economy in a way that benefits more people today, and in the future.

It is a plan that will help support growth and deliver more of the good, well-paying, middle class jobs that Canadians can raise a family on, as they plan for their future.



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



The Honourable Mona Fortier
P.C., M.P.
Minister of Middle Class Prosperity
and Associate Minister of Finance

Plans at a glance

The Department of Finance Canada (the Department) will continue to support the Minister of Finance and the Minister of Middle Class Prosperity and Associate Minister of Finance in delivering on a responsible fiscal plan that will continue to invest in people and in the things that give people a better quality of life, while continuing to build confidence in Canada’s economy.

In 2020–21, the Department will continue to focus its attention and resources on the four priorities below that collectively summarize its planned results for this fiscal year. These priorities build on progress made in 2019-20 and stem from the Department’s operating environment, its risks and opportunities, as well as government-wide and new mandate letter commitments:

1. Sound fiscal management

The Department will continue to ensure effective management of the economic and fiscal framework, including responsible management of the federal budget and the federal debt. Further, the Department will continue to provide advice on measures to enhance the fairness, neutrality, competitiveness and efficiency of Canada’s tax system. In support of this priority, the Department will focus on the following:

- ▶ Analyzing, planning and coordinating the preparation of the upcoming federal budget as well as economic and fiscal updates.
- ▶ Implementing a sound fiscal plan by continuing to assess Canada’s current and future economic conditions in order to formulate first-rate economic policy advice and provide the basis for accurate fiscal planning.
- ▶ Efficiently managing the Federal Government’s currency, debt and international reserves.
- ▶ Launching the first phase of a comprehensive review of government spending and tax expenditures to ensure that resources are efficiently allocated to continue to invest in people and keep the economy strong and growing.

2. Strong, inclusive and sustainable growth¹

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

¹ This priority relates to a government-wide priority.

This will include:

- ▶ Advising the Government on options for delivering on its commitment to lower taxes for the middle class and people working hard to join it.
- ▶ Providing policy advice on a range of financial sector policy issues, including: the domestic housing finance system; a secure financial data sharing framework, a retail payments oversight framework; consumer protection in banking; anti-money laundering and terrorist financing frameworks; financial sector vulnerabilities and risks; and capital markets oversight.
- ▶ Effective management of the economy to achieve long-term sustainable and inclusive growth, including examining new ways to incorporate quality of life measurements into government decision making.
- ▶ Providing analysis and advice in support of the Government's commitment to fight climate change and protect the environment.

3. Sound social policy framework

In 2020-21, the Department will continue to manage the major transfer payment programs to provinces and territories. The Department will also work collaboratively with other government departments, central agencies, and provincial partners to develop policy proposals that are consistent with, and deliver on, the Government's social policy priorities. The Department will:

- ▶ Work with other government departments to support reconciliation with Indigenous Peoples, including supporting the Minister of Crown-Indigenous Relations and the Minister of Indigenous Services in developing a new fiscal relationship with Indigenous Peoples.
- ▶ Collaborate with other government departments to deliver on government priorities in areas such as labour markets and skills development, immigration, Indigenous and Northern issues, justice, public safety, health, arts and culture, and income security.
- ▶ Support other government departments in implementing the Canada Training Benefit.
- ▶ Work in collaboration with provinces and territories to advance the 2019–2021 triennial review of the Canada Pension Plan (CPP).
- ▶ Work with other government departments and central agencies to strengthen Canada's public healthcare system.

4. Effective international engagement

The Department will continue to support the Government in maintaining Canada’s leadership and engagement globally, while deepening its trading relationships. In 2020–21, the Department will continue to monitor international, economic and financial conditions and developments in order to manage risks associated with pressures on the fiscal framework and Canada’s economic growth and competitiveness. This includes:

- ▶ Supporting efforts to reform the World Trade Organization (WTO).
- ▶ Participating in the negotiations of trade agreements and supporting the implementation of concluded trade agreements.
- ▶ Working to ensure balanced import policies support Canadian manufacturing competitiveness.
- ▶ Participating in multilateral negotiations on government-backed export financing to promote a level playing field for Canadian exporters.
- ▶ Actively engaging across key international settings, such as the G7, G20, and the Paris Club, as well as in the governance and operations of major international financial institutions such as the International Monetary Fund, the World Bank Group, and the European Bank for Reconstruction and Development.
- ▶ Advocating for and supporting efforts to improve debt transparency and sustainability across the international system to help support international financial stability and sustainable economic growth.

For more information on the Department of Finance Canada’s plans, priorities and planned results, see the “Core responsibilities: planned results and resources” section of this report.

Core responsibilities: planned results and resources

Economic and Fiscal Policy

Description

Develop the federal budget and the 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

Sound fiscal management

In 2020–21, the Department will continue to ensure a sound economic and fiscal policy framework. The Department will continue to assess Canada's current and future economic conditions in order to formulate first-rate and timely economic policy advice, which will provide the basis for accurate fiscal planning and decision-making. The Department will also conduct analysis, plan extensively and coordinate the preparation of upcoming federal budgets and economic and fiscal updates.

In 2020-21, the Department will continue to manage the Government's debt program with the fundamental objectives of raising stable and low-cost financing and maintaining a well-functioning market for Government of Canada securities. These objectives will ensure the Government's ability to meet its financial needs and flexibility to respond to economic fluctuations. The Department will also continue to efficiently manage Canada's currency and international reserves.

The Government of Canada is committed to ensuring that Canada's tax system is fair, efficient and functioning as intended. In 2020–21, the Department will support the Government's efforts to ensure that companies in all sectors, including digital enterprises, pay and collect their fair share of taxes in respect of their Canadian activities. Canada is actively working with other countries in an OECD²-led multilateral process to achieve this goal in a coordinated manner.

In 2020–21, the Government will also launch the first phase of a comprehensive review of Government spending and tax expenditures. The purpose of this review is to ensure that resources are efficiently allocated to continue to invest in people and to keep the economy strong and growing.

² Organisation for Economic Co-operation and Development (OECD).

Strong, inclusive and sustainable growth

To protect Canadians from the dangers and costs presented by climate change, the Government introduced a price on carbon pollution. The carbon pollution pricing system supports Canada in promoting both sustainable economic growth and continuing to reduce its greenhouse gas emissions.

The federal price on carbon pollution was introduced in 2019 in provinces and territories that requested it and in those that did not have a system that met the federal stringency requirements. It has two components: a regulatory charge on fossil fuels (i.e., the fuel charge) and a trading system for large industry (i.e., the output-based pricing system). Direct proceeds from the federal fuel charge are returned either directly to provincial and territorial governments or to individuals and families through tax-free Climate Action Incentive (CAI) payments, and to targeted sectors, such as small and medium-sized businesses. In 2020–21, the Department will work with Environment and Climate Change Canada to produce the first annual report to Canadians on the direct proceeds and disbursements realized from the federal carbon pollution pricing system broken down by province and territory where it applies.

In December 2019, the Government of Canada tabled a Notice of Ways and Means Motion in the House of Commons that proposed to amend the *Income Tax Act* to lower taxes for the middle class and people working hard to join it. This Motion proposed to increase the Basic Personal Amount (BPA) to \$15,000 by 2023. This proposed increase would cut taxes for close to 20 million Canadians and would be phased in over four years starting in 2020. As the Government's top Parliamentary priority, the Department will develop legislation to implement the increase in the BPA at an early opportunity.

In support of inclusive and sustainable economic growth, the Department will continue in 2020–21 to provide policy advice to support a well-functioning financial sector that continues to meet the needs of Canadians. This will include providing advice on:

Climate Action Incentive (CAI) Payments

The Government of Canada does not keep any direct proceeds from carbon pollution pricing. In Ontario, Manitoba, Saskatchewan and Alberta, the bulk of the direct fuel charge proceeds are returned to individuals and families through CAI payments. Most households receive more in CAI payments than their increased costs resulting from the federal carbon pollution pricing system.

CAI payment amounts are based on family composition and province of residence. A 10 percent supplement is available to eligible individuals and families residing in small or rural communities, in recognition of their increased energy needs and reduced access to clean transportation options. For example, in 2020 a family of four in Saskatoon, Saskatchewan would be eligible for a CAI payment of \$809, while a family of four in Langham, Saskatchewan – a rural community – would be eligible for a CAI payment of \$890.

The federal carbon pollution pricing system is about recognizing that pollution has a cost, empowering Canadians, and driving innovation. Putting a price on products that are more polluting and returning the bulk of the direct proceeds to individuals and families in the jurisdiction of origin, enables households to make cleaner and more environmentally sustainable choices.

CAI payment amounts will increase on an annual basis until 2022 to reflect increases in the price of carbon pollution and the updated levels of proceeds being generated in each jurisdiction.

- ▶ The domestic housing finance system, including financial stability, housing affordability and supply, and the insured mortgage borrower stress test;
- ▶ Furthering efforts to combat money laundering and terrorist financing in relation to beneficial ownership, the real estate sector, and other areas of emerging risk;
- ▶ Sustainable finance and the conditions necessary for establishing an effective, well-functioning funding market to support long-term climate-resilient economic growth;
- ▶ Implementing a new oversight framework for retail payments, as well as payments system modernization and governance;
- ▶ Developing a secure financial data sharing framework, implementing the new financial consumer protection framework, and examining ways of bolstering financial consumer literacy; and
- ▶ Advancing the Canadian Capital Markets Regulator initiative, including strengthening oversight of systemic risk in capital markets.

In 2020–21, the Department will continue to support the Government’s commitments to see the Trans Mountain Expansion Project built in the right way. Further, the Department will support the Government’s commitment to divest the Trans Mountain assets to a new owner or owners in a manner, and at a time, that protects the public interest, and the Government’s investment. In keeping with the spirit of reconciliation, this includes continued engagement with potentially impacted Indigenous groups on the opportunity for meaningful economic participation in the project.

The Department will continue in 2020–21 to strengthen its analysis and advice in support of effective management of the macroeconomy and maintenance of a policy framework to achieve long-term sustainable and inclusive growth. This includes work to improve the quality and scope of Gender-based Analysis Plus (GBA+) in future budgets and to examine new ways to incorporate quality of life measurements into government decision making.

Sound social policy framework

The Department will continue to manage the major transfer payment programs to provinces and territories, and continue to work collaboratively with other government departments, other central agencies, and provincial and territorial partners to develop policy proposals that are consistent with, and deliver on, the Government’s social policy priorities. This includes:

- ▶ Working with other government departments to support reconciliation with Indigenous Peoples, including the establishment of a new fiscal relationship;
- ▶ Collaborating with other government departments and central agencies to deliver on government priorities in areas such as labour markets and skills development, immigration, Indigenous and Northern issues, justice, public safety, health, arts and culture, and income security;

- ▶ Convening meetings and undertaking consultations with provinces and territories, including finance ministers, to advance issues of shared interest;
- ▶ Supporting other government departments in implementing the Canada Training Benefit;
- ▶ Working in collaboration with provinces and territories to advance the 2019–2021 triennial review of the Canada Pension Plan (CPP);
- ▶ Working with other government departments and central agencies in strengthening Medicare and renewing our health agreements with the provinces and territories in four priority areas:
 - Ensuring that every Canadian has access to a family doctor or primary health care team;
 - Setting national standards for access to mental health services so Canadians can get fast access to the support they need, when they need it;
 - Continuing to make home care and palliative care more available across the country; and
 - Continuing to implement national universal pharmacare, including the establishment of the Canada Drug Agency, a national formulary, and a rare disease drug strategy to help Canadian families save money on high-cost drugs.

The Department will continue to 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

As part of its global engagement, the Department will continue to support the Government in maintaining Canada's leadership and engagement globally, while deepening trade-relations. This support will ensure the current and future prosperity of Canadians through the maintenance and expansion of the rules-based global trading system and international financial order. In particular, the Department will continue to show leadership across the G7 and G20, the Paris Club and international financial institutions in which Canada is an active member country, to monitor and address future risks to the global economy.

In addition, Canada will support bilateral, regional and multilateral trade negotiations, will work to achieve realistic, meaningful and pragmatic reforms to the World Trade Organization (WTO), and will pursue efforts to advance and implement Canada's trade policy framework in a manner that encourages inclusive trade growth. On import policy, the Department will continue to monitor and advise on issues related to imports of goods to ensure Canada's competitiveness for manufacturing and to protect domestic industries against unfair trade.

Building on the Charlevoix Commitment on Equality and Economic Growth, the Department will support the Minister of Middle Class Prosperity and Associate Minister of Finance in advancing the global imperative of growth that works for everyone. This includes engaging directly with the OECD in its Inclusive Growth Project and ensuring that Canada advocates and builds frameworks to advance this imperative on the world stage, particularly within the G7 and G20.

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 in delivering results for Canadians.

Departmental results	Departmental result indicators	Targets	Date to achieve targets	2016–17 actual results	2017–18 actual results	2018–19 actual results
Canadians enjoy stronger, more sustainable, and inclusive economic growth that contributes to higher standards of living	1.1 Gross domestic product (GDP) per capita (ranking among Organisation for Economic Co-operation and Development (OECD) countries)	Ranking among the countries with the 15 highest levels of GDP per capita	2020-21	Ranked 14 th among 36 OECD countries	Ranked 14 th among 36 OECD countries	Ranked 14 th among 36 OECD countries
	1.2 Employment rate among the population 15 to 64 in age (ranking among OECD countries)	Ranking among the countries with the 15 highest employment rates	2020-21	Ranked 11 th among 36 OECD countries	Ranked 13 th among 36 OECD countries	Ranked 13 th among 36 OECD countries
	1.3 Real disposable income across income groups ³	Growth is broad-based across income groups	2020-21	Bottom quintile: 1.9% Second quintile: 1.4% Third quintile: 1.2% Fourth quintile: 1.2% Top quintile: 1.0%	Report not yet available	Report not yet available
Canada's public finances are sound, sustainable and inclusive	2.1 Federal debt-to-gross domestic product ratio	Stable over the medium-term (defined as the end of the 5-year projection period for the budget)	2020-21	Met	Met	Met

³ Indicator 1.3 measures inflation-adjusted growth averaged over the previous five years 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.

Departmental results	Departmental result indicators	Targets	Date to achieve targets	2016–17 actual results	2017–18 actual results	2018–19 actual results
Canada's public finances are sound, sustainable and inclusive	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 "Statement" in the annual budget document, where the impact of budgetary measures is presented from a gender perspective to foster more inclusive growth	2020-21	Met	Met	Met
Canada has a fair and competitive tax system	3.1 Taxes on labour income	Lower than the G7 average	2020-21	Met	Met	Met
	3.2 Total business tax costs	Lower than the G7 average	2020-21	Met	Data not available ⁴	Data not available ⁴
Canada has a sound efficient financial sector	4.1 Percentage of leading international organizations and major ratings agencies that rate Canada's financial policy framework as favourable	100%	2020-21	100%	100%	100%
	4.2 Ranking of Canada's financial sector in the World Economic Forum's Global Competitiveness Report	Above the G7 average	2020-21	Above the G7 average Canada: 5.30 G7 average: 4.71	Above the G7 average Canada: 5.44 G7 average: 4.81	Above the G7 average Canada: 86 ⁵ G7 average: 83 ⁵

⁴ KPMG, the third party provider for this indicator has not produced its report on total business tax costs since 2016. Consequently, results are unavailable for the 2017-18 and 2018-19 reporting periods. This indicator will be reviewed as part of the 2021-22 reporting cycle.

⁵ The 2018 World Economic Forum's Global Competitiveness Report introduced the new Global Competitiveness Index 4.0, which scores each country's financial system between 0 and 100. The 2017 and 2016 Reports used a different indicator, which gave a score between 1 and 7. Therefore the scores for 2016-17 and 2017-18 are not comparable to the scores for 2018-19.

Departmental results	Departmental result indicators	Targets	Date to achieve targets	2016–17 actual results	2017–18 actual results	2018–19 actual results
The Government of Canada's borrowing requirements are met at a low and stable cost to support 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%	2020-21	100%	100%	100%
	5.2 Canada's sovereign rating	Equal to or better than the G7 average	2020-21	Canada was the highest rated among G7 countries	Canada was the highest rated among G7 countries	Canada was the highest rated among G7 countries
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)	5 (100% of payments reviewed did not reveal errors; 100 % of payments to provincial and territorial governments were made within the required time frames)	2020-21	5	5	5
	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)	2020-21	Not applicable ⁶	2 (mostly addressed)	Not applicable ⁶

⁶ Data for indicator 6.2 are reported every three years in respect of payment issues that arise during the previous three-year period. The last reporting for this indicator was included in the 2019-20 Departmental Plan for fiscal years 2015-16 to 2017-18. Results from fiscal year 2018-19 will be included in the next three-year reporting period ending in fiscal year 2020-21.

Departmental results	Departmental result indicators	Targets	Date to achieve targets	2016–17 actual results	2017–18 actual results	2018–19 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 Trading Report	Best of G7 countries	2020-21	Met	Data not yet available ⁷	Data not yet available ⁷
	7.2 Percentage of the Department of Finance Canada's international assistance payment that are publicly reported on a monthly basis to support aid transparency	100%	2020-21	New indicator for 2018-19	New indicator for 2018-19	Met

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

⁷ The World Economic Forum Global Enabling Trade Report 2016 is the latest version of this report. Consequently, results are unavailable for the 2017-18 and 2018-19 reporting periods. This indicator will be revised as appropriate.

Planned budgetary financial resources for Economic and Fiscal Policy

2020–21 budgetary spending (as indicated in Main Estimates)	2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
99,483,805,884	99,483,805,884	102,728,987,709	106,535,661,769

Financial, human resources and performance information for the Department of Finance Canada’s program inventory is available in the [GC InfoBase](#).ⁱⁱ

Planned human resources for Economic and Fiscal Policy

2020–21 planned full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents
582	581	581

Financial, human resources and performance information for the Department of Finance Canada’s program inventory is available in the [GC InfoBase](#).ⁱⁱⁱ

Internal Services: planned results and resources

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 11 distinct services that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. These services are:

- ▶ Acquisition Management Services
- ▶ Communications Services, including Access to Information and Privacy and Parliamentary Affairs
- ▶ Financial Management Services
- ▶ Human Resources Management Services
- ▶ Information Management Services
- ▶ Information Technology Services
- ▶ Legal Services
- ▶ Management and Oversight Services
- ▶ Materiel Management Services
- ▶ Real Property Management Services
- ▶ Security Services

Planning highlights

Building a healthy, diverse and productive workforce

The Department must attract, retain and develop a talented and high performing workforce reflective of Canada's diversity to respond to increasing demands for sound and timely policy analysis and advice.

The Department will continue to invest in human capital in its recruitment, performance management, learning, and professional development to ensure employee engagement, retention and renewal, in order to remain an employer of choice.

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.

Enabling a digital and collaborative workplace while enhancing user experience and strengthening cybersecurity

Building on its Strategy for the management of information and data approved in 2019, and in line with its IM/IT Strategic Plan, 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.

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, enterprise architecture, and digital communication as part of a reliable and secure cloud solution. In partnership with Shared Services Canada and the Treasury Board of Canada Secretariat, the Department will initiate the implementation of options for modernizing its IT network infrastructure in a way that balances IT security requirements with organizational efficiency and productivity considerations.

Planned budgetary financial resources for Internal Services

2020–21 budgetary spending (as indicated in Main Estimates)	2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
41,257,072	41,257,072	39,530,885	39,655,156

Planned human resources for Internal Services

2020–21 planned full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents
249	237	237

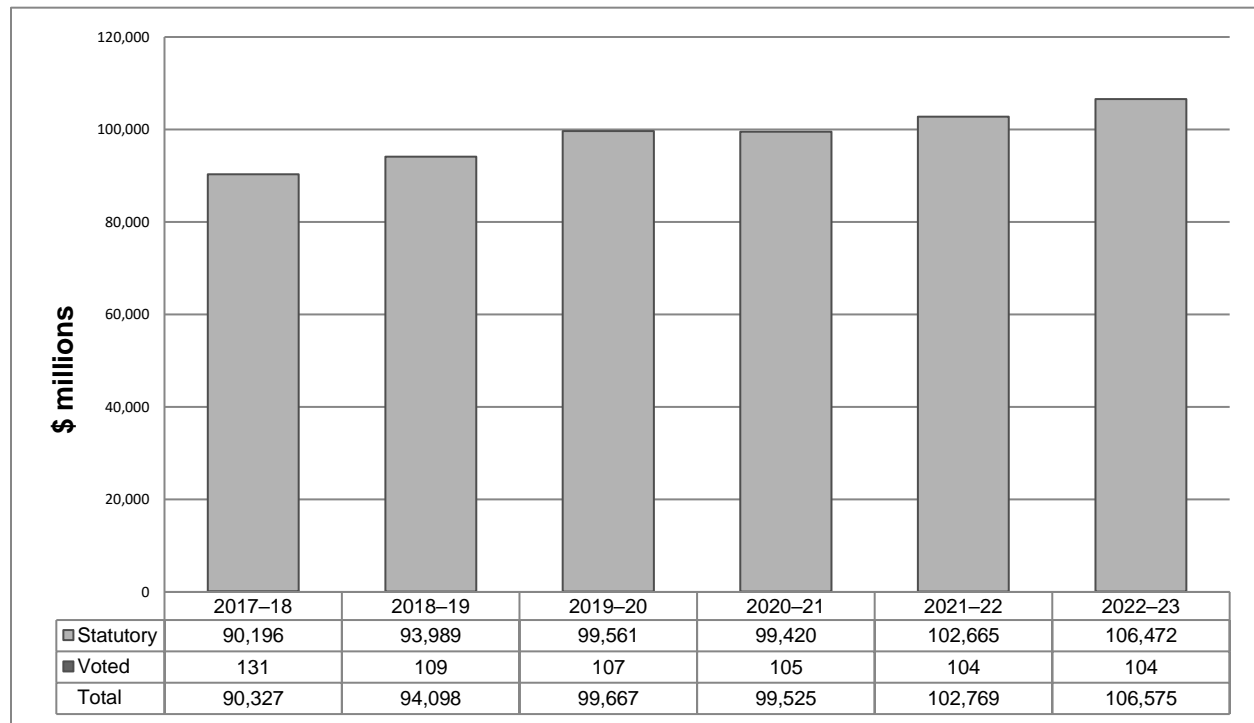
Spending and human resources

This section provides an overview of the Department’s planned spending and human resources for the next three consecutive fiscal years, and compares planned spending for the upcoming year with the current and previous years’ actual spending.

Planned spending

Departmental spending 2017–18 to 2022–23

The following graph presents planned (voted and statutory) spending over time:



Budgetary planning summary for core responsibilities and Internal Services (dollars)

The following table shows actual, forecast and planned spending for the Department's core responsibility and Internal Services for the years relevant to the current planning year.

Core responsibilities and Internal Services	2017–18 expenditures	2018–19 expenditures	2019–20 forecast spending	2020–21 budgetary spending (as indicated in Main Estimates)	2020–21 planned spending	2021–22 planned spending	2022–23 planned spending
Economic and Fiscal Policy	90,282,485,447	94,052,730,919	99,625,758,801	99,483,805,884	99,483,805,884	102,728,987,709	106,535,661,769
Subtotal	90,282,485,447	94,052,730,919	99,625,758,801	99,483,805,884	99,483,805,884	102,728,987,709	106,535,661,769
Internal Services	44,232,684	44,979,241	41,707,660	41,257,072	41,257,072	39,530,885	39,655,156
Total	90,326,718,131	94,097,710,160	99,667,466,461	99,525,062,956	99,525,062,956	102,768,518,594	106,575,316,925

Economic and Fiscal Policy:

The cumulative increase of \$9.3 billion in spending from 2017–18 to 2019–20 mainly relates to:

- ▶ Legislated increases for the Canada Health Transfer and Fiscal Arrangements with Provinces and Territories transfer payment programs (\$4.8 billion);
- ▶ An increase to interest on unmatured debt largely reflecting a higher expected stock of market debt (\$3.5 billion);
- ▶ An increase in approved authorities for capital and operating expenses for the Canada Infrastructure Bank (\$1.6 billion); and
- ▶ A decrease in other interest costs largely reflecting the decrease in the average Government of Canada long-term bond rate, which is used to calculate interest on the public sector pension obligations pertaining to service before April 1, 2000 (\$0.6 billion).

The cumulative increase of \$7 billion in planned spending from 2020–21 to 2022–23 mainly relates to the following statutory items:

- ▶ Legislated and forecasted increases for the Canada Health Transfer and Fiscal Arrangements with Provinces and Territories (\$5.4 billion) transfer payment programs;
- ▶ An increase in market debt resulting from overall upward revisions of interest rates forecast by private sector economists consistent with Budget 2019 (\$2.0 billion); and
- ▶ A decrease in other interest costs largely reflecting the decrease in the average Government of Canada long-term bond rate forecast, which is used to calculate interest on the public sector pension obligations pertaining to service before April 1, 2000 (\$0.4 billion).

Internal Services

The decrease in planned spending over the last three fiscal years is mainly attributable to time-limited funding that ends in 2020–21.

Planned human resources

The following table shows actual, forecast and planned full-time equivalents (FTEs) for the Department's core responsibility in the departmental results framework as well as Internal Services for the years relevant to the current planning year.

Human resources planning summary for core responsibilities and Internal Services

Core responsibilities and Internal Services	2017–18 actual full-time equivalents	2018–19 actual full-time equivalents	2019–20 forecast full-time equivalents	2020–21 planned full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents
Economic and Fiscal Policy	515	548	590	582	581	581
Subtotal	515	548	590	582	581	581
Internal Services	254	262	237	249	237	237
Total	769	810	827	831	818	818

The increase in FTEs from 2017–18 to 2019–20 is mainly attributable to the increase in funding for key government priorities such as enhancing capacity in the area of Indigenous policy, tax competitiveness monitoring, trade policy, and returning pollution pricing revenues. The number of FTEs decreases after 2020–21 as a result of time-limited funding.

Estimates by vote

Information on the Department of Finance Canada’s organizational appropriations is available in the [2020–21 Main Estimates](#).^{iv}

Condensed future-oriented statement of operations

The condensed future-oriented statement of operations provides an overview of the Department of Finance Canada’s operations for 2019–20 to 2020–21.

The amounts for forecast and planned results in this statement of operations were prepared on an accrual basis. The amounts for forecast and planned spending presented in other sections of the Departmental Plan were prepared on an expenditure basis. Amounts may therefore 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.

Condensed future-oriented statement of operations for the year ending March 31, 2021 (dollars)

Financial information	2019–20 forecast results	2020–21 planned results	Difference (2020–21 planned results minus 2019–20 forecast results)
Total expenses	99,746,032,287	99,602,648,202	(143,384,085)
Total revenues	0	0	0
Net cost of operations before government funding and transfers	99,746,032,287	99,602,648,202	(143,384,085)

Corporate information

Organizational profile

Appropriate minister(s): The Honourable William F. Morneau, P.C., M.P.
The Honourable Mona Fortier, P.C., M.P.

Institutional head: Paul Rochon

Ministerial portfolio: Department of Finance

Enabling instrument(s): 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. A list of some of these Acts can be found below:

- ▶ *Asian Infrastructure Investment Bank Agreement Act*
- ▶ *Bank Act*
- ▶ *Bank for International Settlements (Immunity) Act*
- ▶ *Bank of Canada Act*
- ▶ *Bills of Exchange Act*
- ▶ *Borrowing Authority Act*
- ▶ *Bretton Woods and Related Agreements Act*
- ▶ *Budget Implementation Acts⁸ (under various titles)*
- ▶ *Canada Deposit Insurance Corporation Act*
- ▶ *Canada Pension Plan⁹*
- ▶ *Canada Pension Plan Investment Board Act*
- ▶ *Canadian International Trade Tribunal Act*
- ▶ *Canadian Gender Budgeting Act*
- ▶ *Canadian Payments Act*
- ▶ *Canadian Securities Regulation Regime Transition Office Act*
- ▶ *Cooperative Credit Associations Act*
- ▶ *Currency Act*
- ▶ *Customs Tariff*
- ▶ *Depository Bills and Notes Act*
- ▶ *European Bank for Reconstruction and Development Agreement Act*
- ▶ *Excise Act, 2001*
- ▶ *Excise Tax Act*
- ▶ *Federal-Provincial Fiscal Arrangements Act*
- ▶ *Financial Administration Act*
- ▶ *Financial Consumer Agency of Canada Act*

⁸ The Minister of Finance is the responsible minister for all budget implementation acts although not expressly named as such in each Act.

⁹ Although not named as a responsible minister for the *Canada Pension Plan* (the responsible ministers are the Minister of Families, Children and Social Development and the Minister of National Revenue), the Minister of Finance has substantial duties under this Act and is jointly responsible with the Minister of Families, Children and Social Development for laying an annual report on the administration of the Act before Parliament.

- ▶ *First Nations Goods and Services Tax Act*
- ▶ *Greenhouse Gas Pollution Pricing Act (Part 1)*
- ▶ *Income Tax Act*
- ▶ *Income Tax Conventions Interpretation Act*
- ▶ *Insurance Companies Act*
- ▶ *Interest Act*
- ▶ *Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act*
- ▶ *Office of the Superintendent of Financial Institutions Act*
- ▶ *Payment Card Networks Act*
- ▶ *Payment Clearing and Settlement Act*
- ▶ *Pension Benefits Standards Act, 1985*
- ▶ *Pooled Registered Pension Plans Act*
- ▶ *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*
- ▶ *Protection of Residential Mortgage or Hypothecary Insurance Act*
- ▶ *Royal Canadian Mint Act*
- ▶ *Special Import Measures Act*
- ▶ *Tax-Back Guarantee Act*
- ▶ *Trust and Loan Companies Act*
- ▶ *Winding-up and restructuring Act (Parts II and III)*

Year of incorporation / commencement: 1867¹⁰

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.

For more information on the department’s organizational mandate letter commitments, see:

[The Honourable William F. Morneau, P.C., M.P., Minister of Finance](#)

[The Honourable Mona Fortier, P.C., M.P., Minister of Middle Class Prosperity and Associate Minister of Finance](#)

Operating context

Information on the operating context is available on the Department of Finance Canada’s website.

¹⁰ 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.

Reporting framework

The Department of Finance Canada’s approved departmental results framework and program inventory for 2020–21 is as follows:

Core Responsibility: Economic and Fiscal Policy		Internal Services
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)	
	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	

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](#).^v

Supplementary information tables

The following supplementary information tables are available on the Department of Finance Canada’s [website](#):

- ▶ [Details on transfer payment programs](#)
- ▶ [Gender-based analysis plus](#)

Federal tax expenditures

The Department of Finance Canada’s Departmental Plan does not include information on tax expenditures that relate to its planned results for 2020–21.

Tax expenditures are the responsibility of the Minister of Finance, and the Department of Finance Canada publishes cost estimates and projections for government-wide tax expenditures each year in the [Report on Federal Tax Expenditures](#).^{vi} This report provides detailed information on tax expenditures, including objectives, historical background and references to related federal spending programs, as well as evaluations, research papers and gender-based analysis. The tax measures presented in this report are solely the responsibility of the Minister of Finance.

Organizational contact information

Mailing address

Department of Finance Canada

15th Floor

90 Elgin Street

Ottawa, Ontario K1A 0G5

Telephone: 613-369-3710

Fax: 613-369-4065

Email: fin.publishing-publication.fin@canada.ca

Media enquiries

Phone: 613-369-4000

Comments or questions regarding Department of Finance Canada publications and budget documents

Email: fin.publishing-publication.fin@canada.ca

Website(s): <https://www.canada.ca/en/department-finance/corporate/transparency/plans-performance/departmental-plans/2020-2021.html>

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 a department over a 3-year period. Departmental Plans are tabled in Parliament each spring.

departmental priority (priorité ministérielle)

A plan or project that a department has chosen to focus and report on during the planning period. Departmental priorities represent the things that are most important or what must be done first to support the achievement of the desired departmental results.

departmental result (résultat ministériel)

A consequence or outcome that a department seeks to achieve. 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)

A framework that consists of the department's core responsibilities, departmental results and departmental result indicators.

Departmental Results Report (rapport sur les résultats ministériels)

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

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 assess how diverse groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race, ethnicity, religion, age, and mental or physical disability.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2020–21 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government’s agenda in the 2019 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 are given funding to pursue a shared outcome, often linked to a government priority.

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.

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.

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.

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 inventory (répertoire des programmes)

Identifies all of the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

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.

strategic outcome (résultat stratégique)

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

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. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- iii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- iv. 2018–19 Main Estimates, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates.html>
- v. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- vi. Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>