

Finance

Annual Report
2017–2018

Finance
Annual Report 2017-2018

Province of New Brunswick
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Transmittal letters

From the Minister to the Lieutenant-Governor

The Honourable Jocelyne Roy Vienneau
Lieutenant-Governor of New Brunswick

May it please your Honour:

It is my privilege to submit the annual report of the Department of Finance, Province of New Brunswick, for the fiscal year April 1, 2017, to March 31, 2018.

Respectfully submitted,



Honourable Ernie L. Steeves
Minister

From the Deputy Minister to the Minister

Honourable Ernie Steeves
Minister of Finance

Sir:

I am pleased to be able to present the annual report describing operations of the Department of Finance for the fiscal year April 1, 2017, to March 31, 2018.

Respectfully submitted,



Nicole Picot
Deputy Minister

Table of contents

Minister’s message	5
Deputy Minister’s message	6
Strategic priorities	7
Highlights	8
Performance measures	9
Overview of departmental operations	13
Division overview and highlights	14
Financial information	18
Summary of staffing activity	19
Summary of legislation and legislative activity	20
Summary of Official Languages activities	22
Summary of recommendations from the Office of the Auditor General	23
Report on the <i>Public Interest Disclosure Act</i>	24
Appendix	25

Minister's message

The Department of Finance's undertaking is to manage New Brunswick's fiscal situation through responsibility, transparency and responsible management of the province's finances. Your government is working hard to meet New Brunswickers' expectations and we are dedicated to working together to manage our finances from a sustainable position. We know there are challenges ahead, but we are committed to finding innovative, efficient, and cost-effective solutions.

I am pleased to present New Brunswick's 2017-2018 Annual Report. This report describes the trials, operations and successes of the department. In 2019 and beyond, we will continue to build on those successes while paying down the debt and moving our province towards economic prosperity.

I am immensely proud to be the Minister of Finance and I do not take this position lightly. The dedication and hard work of the employees is evident in the pages of this report. During the next year, I look forward to working closely with the team at the Department of Finance to tackle our five key challenges of: restoring balanced budgets, ensuring a robust private-sector economy, delivering accessible health care and world-class education systems, while ensuring a high quality of life for all residents of New Brunswick. I know that by maintaining our focus, we will achieve our goals.

A handwritten signature in blue ink, appearing to read "Ernie L. Steeves". The signature is fluid and cursive, with a long horizontal stroke at the end.

Honourable Ernie L. Steeves
Minister of Finance

Deputy Minister's message

The Department of Finance worked hard over the past year to provide financial and innovative leadership, advice and services for the people of New Brunswick.

The 2017-2018 annual report outlines the successes and challenges of the Department of Finance during the year. One of our key successes has been the continuation of our employee-driven Strategy Refresh: FIN 2.0. This remained a top priority for staff of the department and we remained dedicated to our values of teamwork, respect, integrity, professionalism and accountability over the past year.

In addition to meeting our mission and working towards our values, the team at the Department of Finance was instrumental in the preparations of the legalization of cannabis by the federal government. We worked hard, with other departments to create a legislative framework that will protect New Brunswickers as the province enters this new legalized environment.

Some more of the department's successes in 2017-2018 were: providing support to lead departments on initiatives including the Obesity and Tobacco Initiative and Climate Change Action Plan; lowering the small business corporate income tax rate to 2.5 per cent, and reducing government red tape by developing a new online quarterly tax return process for the International Fuel Tax Agreement (IFTA) registrants. The department also increased uptake of the Small Business Investor Tax Credit (SBITC) program, reflecting government measures to enhance the program.

None of this work would be possible without the hard work of the department's fine staff and their dedication to making New Brunswick thrive. I am proud to be working together and serving our province.



Nicole Picot
Deputy Minister

Strategic priorities

Strategy management

The Government of New Brunswick (GNB) uses a Formal Management system built on leading business practices to develop, communicate and review strategy. This process provides the Public Service with a proven methodology to execute strategy, increase accountability and continuously drive improvement.

The development of the strategy, using the Formal Management system, starts with a strategic vision to move New Brunswick forward. This vision is anchored in five priority areas:

- *Jobs* – Creating the best environment for jobs to be generated by New Brunswickers, by businesses, by their ideas, by their entrepreneurial spirit, and by their hard work. Growth efforts will be guided by the *New Brunswick Economic Growth Plan*, which focuses on strengthening the workforce; expanding innovation capacity; increasing the agility of government; fostering public and private investment in strategic infrastructure; and growing capital investment from the private sector.
- *Education* – Improving education as guided by two 10-year plans, *Everyone at Their Best* for the anglophone sector and *Donnons à nos enfants une longueur d’avance* for the francophone sector, that identify objectives for the early learning and education system and establish clear expectations for standards and performance. The areas of focus are: ensuring children and other learners develop the competencies they need to be successful in school and life; improving both literacy and numeracy skills for all learners; and working to make post-secondary education more accessible and affordable.
- *Families* – Creating a healthier and stronger New Brunswick by focusing on seven key areas: improving access to primary and acute care; promoting wellness; supporting those with mental health challenges; fostering healthy aging and support for seniors; advancing women’s equality; reducing poverty; and providing support for persons living with a disability.
- *Federal and Aboriginal Relations* – Building stronger relationships with First Nations; strengthening action on climate change; and working with the federal government to maximize federal funding, including optimizing infrastructure funding and growing the workforce through immigration.
- *Smart Province* – Providing taxpayers with better value for their money by transforming the culture of government by eliminating duplication; adopting new innovations in technology to improve services and savings; and ensuring GNB has a ready workforce that has the skills, training, support, leadership and working environments it needs to thrive.

Highlights

During the 2017-2018 fiscal year, the Department of Finance focused on these strategic priorities through:

- The Service of the Public Debt was \$34.4 million lower than the budgeted \$701.0 million due to several factors including higher interest income earned on short-term investments, lower than budgeted interest rates on funded debt and the timing of cash flows.
- The borrowing program included the first Global transaction since 2011, a US \$500 million 5-year fixed rate bond issue that was exchanged into a Canadian dollar obligation.
- Increased the uptake of the Small Business Investor Tax Credit (SBITC) program, reflecting GNB measures to enhance the program.
- The *Pension Benefits Act* regulations were amended to provide multi-jurisdictional pension plan sponsors additional flexibility with regards to solvency requirements.
- Meeting NB's obligations to establish, with several other Canadian jurisdictions, the Capital Market Regulatory Authority.
- Made regulatory changes to the *Revenue Administration Act* to modernize definitions and clarify the components of an inspection and investigation to ensure that the new Contraband Enforcement Unit has the necessary clarity and authority to carry-out its duties without being hindered by ambiguity in the statute.
- Developed and implemented a new online quarterly tax return process for the International Fuel Tax Agreement (IFTA) registrants which supports the Smart Province initiative by leveraging technology to provide better services and reduce red tape.
- Developed an appropriate revenue framework for cannabis and responsible and effective wholesale and retail distribution model.
- Lowered the small business corporate income tax rate to 2.5 per cent.
- Launched the Tax Evasion communications campaign.

Performance measures

Jobs	Measures
Grow capital investment from the private sector.	Increase tax credit usage (forecast and actual value of Small Business Investor Tax Credit/Community Economic Development Corporation investments).
Smart Province	Measures
Eliminate waste and duplication.	Ratio of actual to budgeted revenue.
	Ratio of actual to budgeted expenditures.

Jobs

Objective of the measure

Grow capital investment from the private sector.

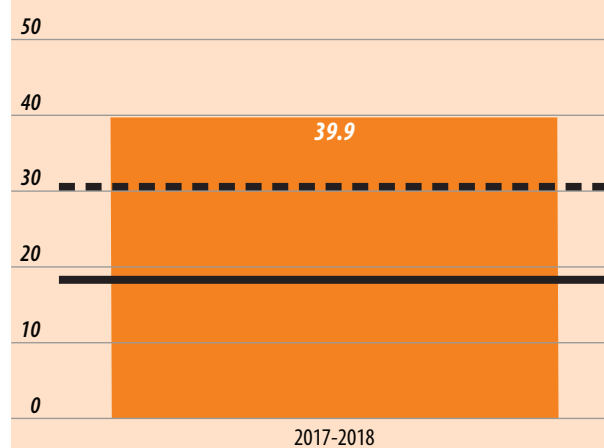
Measure

Increase tax credit usage (forecast and actual value of Small Business Investors Tax Credit/Community Economic Development Corporation investments).

Description of measure

As a result of a GNB commitment, amendments were made to the *Small Business Investors Tax Credit Act* to increase the tax credit to 50 per cent for investments made by individuals in New Brunswick small businesses that qualify under the program.

SBITC investments



Overall performance

The amendments to the act continued to result in increased participation and investments in the program. Investments surpassed the 2016 level by 13 per cent to reach \$39.9 million. The number of applications held relatively steady at 175 and the number of investors increased by over six per cent, an indication that the program is better known to the investment community and is becoming more recognized as an effective tool to raise capital investments.

————— **Baseline:** \$18.3 million
- - - - - **Target:** \$30.5 million
 Actual: \$39.9 million

Why do we measure this?

With the proclamation of the change to the act and the regulation to include investors in community economic development corporations and cooperatives, more New Brunswickers are aware of this tax credit program. The department is measuring this to determine New Brunswickers' awareness of the Small Business Investor Tax Credit.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department provided information sessions upon request to organizations across the province to promote the program.

Smart Province

Objective of the measure

Manage budget responsibly.

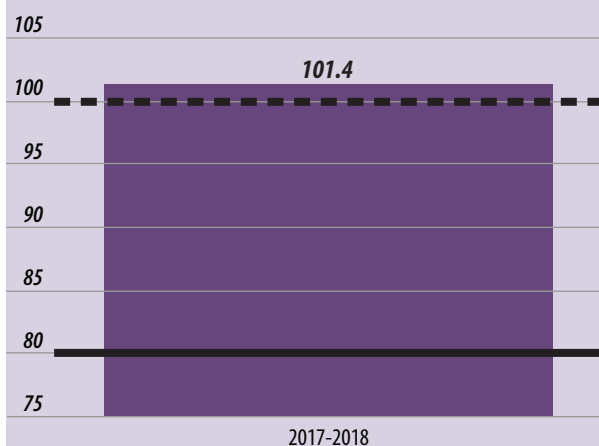
Measure

Track the ratio of actual to budgeted revenue for the department.

Description of measure

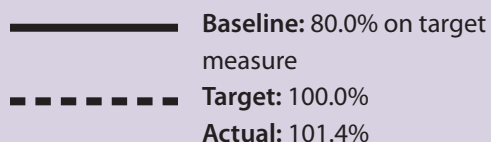
To measure the performance of revenue goals relative to the budget, the department follows these cash flows.

Ratio of actual to budgeted revenue



Overall performance

The department collected 1.4 per cent more revenue than was forecast in the budget.



Why do we measure this?

This provides an annual forecast of the department's fiscal position and is on the GNB Balanced Scorecard.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

This measure is part of an ongoing effort to optimize efficiencies and maximize revenue potential through revenue administration systems.

Smart Province

Objective of the measure

Manage budget responsibly.

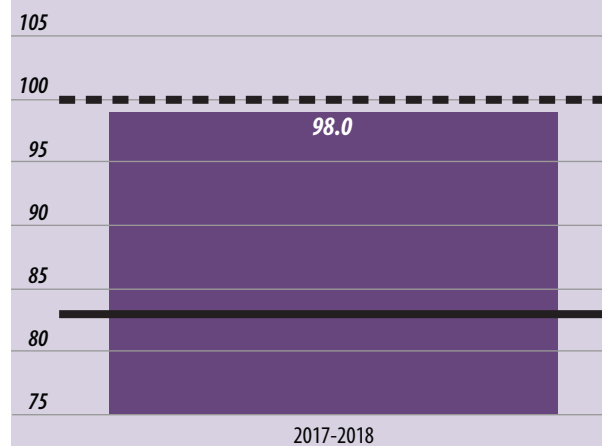
Measure

Track the ratio of actual to budgeted expenditures for the department.

Description of measure

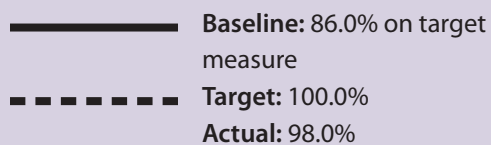
To measure the performance of the expenditure plan relative to the budget, the department follows these cash flows.

Actual to budgeted expenditure



Overall performance

The department finished 2017-2018 two percent under budget; spending only 98 per cent of what was budgeted.



Why do we measure this?

This provides an annual forecast of the department's fiscal position and is also reported on the GNB Balanced Scorecard.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

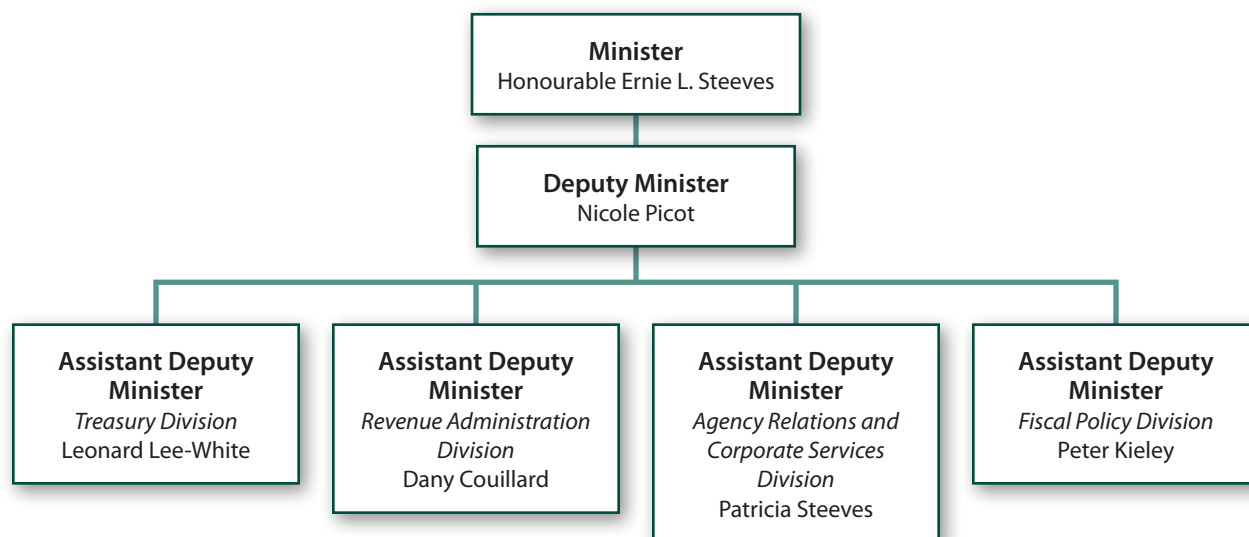
This measure is part of an ongoing effort to optimize efficiencies and monitor spending.

Overview of departmental operations

The Department of Finance is a central agency of GNB whose mission is to provide responsible financial and innovative leadership, advice, programs and services to New Brunswick.

The number of employees in the Department of Finance (full-time, part-time and contract) in 2017-2018 was 123.

High-level organizational chart



Division overview and highlights

Agency Relations and Corporate Services Division

The **Agency Relations and Corporate Services Division** integrates several specialized units and the financial services function into a single multi-faceted division that has complex and diverse roles, responsibilities and services delivered within the department as well as to central government and to internal and external client organizations. The Agency Relations and Corporate Services Division consists of three branches: Agency Relations and Gaming Policy, Financial Services and Strategic Services.

The **Agency Relations and Gaming Policy Branch** is responsible for the operation and oversight of provincial gaming programs that provide more than \$150 million in revenue to the province and provides support to agencies that generate more than \$170 million in provincial revenue. The branch provides policy advice and information and recommendations, undertakes policy development and implementation as well as research and financial analysis regarding the province's provincial gaming policy and programs, responsible gaming initiatives and the legalization of retail cannabis initiative. The branch manages casino service provider agreements and is accountable to the board of directors of the New Brunswick Lotteries and Gaming Corporation for its day-to-day operations. The New Brunswick Lotteries and Gaming Corporation is a Crown corporation established under the *Gaming Control Act* as the conduct and manage entity responsible for provincial gaming activities and is the New Brunswick shareholder in Atlantic Lottery Corporation. The branch also provides secretariat services to the newly formed Cannabis Management Corporation. In addition, the branch provides policy development advice and support and accountability oversight in the management of the department's relationship with the agencies for which it is responsible. These entities include the Financial and Consumer Services Commission of New

Brunswick and the New Brunswick Liquor Corporation. It also manages the gaming revenue sharing arrangements with First Nations.

The **Financial Services Branch** provides accounting services, financial advice, analysis and control functions, asset management, risk management and financial monitoring and reporting services for 15 departments and agencies with a combined budget of \$34 million. It ensures that annual budget development is consistent with the policies, priorities and spending targets defined within GNB's fiscal framework and is responsible for the preparation of the annual budget reporting materials. It provides accounting services to the New Brunswick Lotteries and Gaming Corporation, including preparation of the corporation's annual financial statements. The branch manages telecommunications requirements for the department and its client groups.

The **Strategic Services Branch** provides facilitation, guidance and coaching in the development and execution of the department's strategic plan and direction, coordination and management of the legislative planning process for the department and its related agencies. It coordinates reviews and monitors all matters related to submissions for the six Cabinet committees (e.g., Memorandum to Executive Council, Notices of Intent) for the department and its related agencies. The branch provides project management services and manages the implementation of the Performance Excellence process through the Formal Management system within the department (the department's alignment champion role resides within the branch). The branch administers the management of electronic records and scanning systems and provides leadership in the management of the department's numerous and complex Information Management programs. The branch also provides liaison services regarding the Financial and Consumer Services Commission of New Brunswick.

HIGHLIGHTS

- ◆ *Development of the governance and legislative policy framework regarding the oversight of the retailing of legalized cannabis in New Brunswick.*
- ◆ *Development of options regarding a renewed, strategic approach to New Brunswick gaming policy.*
- ◆ *Participation in the Craft Alcohol Producers (CAP) Lab initiative.*
- ◆ *Development and implementation of shareholder responses to Auditors General joint audit of the ALC.*
- ◆ *Processed 78 Memorandum to the Executive Council; 44 Right to Information requests; and 12 OIC appointments to agencies, boards and commissions.*

Treasury Division

The **Treasury Division** is responsible for financing GNB and Crown corporations, managing the Consolidated Fund and the Service of the Public Debt, investing and administering various dedicated funds as well as providing financial and risk management policy analysis and advice. The division consists of the Capital Markets Branch and the Banking and Cash Management Branch.

The **Capital Markets Branch** is responsible for developing annual long-term debt borrowing strategies and securing, negotiating, executing, settling and reporting of debenture debt. This includes execution and management of related instruments as necessary, such as interest rate and foreign currency hedges, derivatives and hedges. Integral to Debt Management are ongoing stakeholder and investor relations and communications. The branch is responsible for developing policies, strategies, investing and reporting for sinking and trust funds and providing financial and accounting policy analysis and advice.

The **Banking and Cash Management Branch** is responsible for the management and reconciliation of the cash flow for the Consolidated Fund and various dedicated funds. The branch acts as the receiver of revenue for GNB; initiates foreign exchange transactions; issues short-term debt in the form of Treasury Bills; negotiates and manages banking arrangements; operates Crown financing corporations; forecasts Service of the Public Debt; ensures interest and principal payments on debt are made on a timely basis; liaises with credit rating agencies; and provides financial policy analysis and advice.

HIGHLIGHTS

- ◆ *The Service of the Public Debt was \$34.4 million less than the budgeted \$701.0 million due to higher interest income earned, lower than budgeted interest rates and the refinancing of a capital lease.*
- ◆ *The borrowing program included a US \$500 million 5-year fixed rate Global bond transaction that was swapped into a Canadian dollar obligation.*

Fiscal Policy Division

The **Fiscal Policy Division** provides policy advice, analysis and information regarding taxation, fiscal and budget policy, intergovernmental fiscal relations and the economy. The division provides advice and recommendations, and it is involved with the analysis, design and implementation of GNB's tax policies. It has responsibility in the development and monitoring of the budget plan and multi-year fiscal framework; coordinates the preparation and production of the annual budget speech, fiscal and economic reports; and monitors and reports on GNB's economic performance. The division also has responsibility for economic and revenue forecasting, provision of statistical data and analysis and federal-provincial consultations with respect to tax matters, programs under the *Federal-Provincial Fiscal Arrangements Act* and the Canada Pension Plan (CPP).

The division consists of the Fiscal Policy and Revenue Branch, the Economic and Statistical Analysis Branch and the Tax Policy Branch.

The **Fiscal Policy and Revenue Branch** contributes to the protection of GNB's financial interests by providing policy advice, analysis and information with respect to intergovernmental fiscal relations. The branch has key responsibilities regarding the multi-year fiscal framework and the provincial budget; preparation of the budget speech; fiscal and economic reports; monitoring the budget plan; and coordinating GNB's overall revenue forecast. It is involved in intergovernmental consultations on major federal transfer programs, including equalization, health and social program transfers and in the ongoing maintenance of such programs, as well as intergovernmental consultations on the CPP.

The **Economic and Statistical Analysis Branch** undertakes economic forecasting, monitoring and analysis, including support to departments. The branch provides socio-economic and demographic research, analysis and information services to GNB. It conducts its statistical function under the *Statistics Act* through the focal point office. It coordinates production of the budget speech and other fiscal and economic reports.

The **Tax Policy Branch** researches and analyzes tax policy issues. It develops options, provides information, advice and recommendations on tax matters, and it implements legislative measures in support of GNB's tax policy priorities. The policy work of the branch includes all areas of taxation: income tax (corporate and personal); consumption taxes (Harmonized Sales Tax [HST], gasoline and motive fuel, tobacco); property tax; and other taxes. The branch's responsibilities include federal-provincial consultations on tax matters and negotiation with the federal government respecting Canada-New Brunswick taxation agreements.

HIGHLIGHTS

- ◆ *The division prepared and released 55 highlight documents based on the 2016 Census and aligned with Statistics Canada thematic releases. A wide range of topics focusing on New Brunswick's results were prepared and covered themes such as population count, age groups, language, education, labour, income, immigration, Aboriginal peoples, mobility, families and housing.*
- ◆ *The division worked with its federal, provincial and territorial counterparts on the triennial review of the Canada Pension Plan. In December 2017, Finance Ministers reached an agreement in principle on enhancements to supplemental benefits including: introducing child rearing and disability drop-in provisions in the enhanced CPP; addressing inequities for young survivors; extending disability benefits to early retirees; and enhancing the death benefit. These improvements to benefits will be accommodated without any change required to the legislated contribution rates.*
- ◆ *The division worked with its federal and provincial counterparts on analyzing potential changes to the federal government's equalization program as part of the 2019 equalization renewal process. The federal government subsequently announced modest*

technical changes to the program commencing 2019, which are anticipated to provide modest benefit to the province.

- ◆ *As announced in December 2017, federal, provincial and territorial Finance Ministers reached an agreement in principle on a coordinated approach to cannabis taxation for the initial two years of cannabis legalization. Following this announcement, the division worked with its federal counterparts on developing a bilateral coordinated cannabis agreement which will see the province receive 75 per cent of the cannabis duty attributable to the province, which will be collected by the Canada Revenue Agency and remitted to the province.*
- ◆ *Legislation was introduced to lower the small business corporate income tax rate to 2.5 per cent, meeting the government's commitment to lower the rate from 4.5 per cent to 2.5 per cent during the mandate.*

Revenue Administration Division

The **Revenue Administration Division** ensures fair, effective and efficient administration of tax and regulatory programs. It offers policy and information in respect to federal-provincial-territorial tax administration relations. It participates on several inter-jurisdictional committees on issues of common interest and works in close collaboration with the Canada Revenue Agency (CRA). The division also provides timely information pertaining to tax revenue forecasts and estimates for main estimates. The division consists of the Research and Tax Administration Policy Branch, the Account Management Branch and the Audit and Investigation Services Branch.

The **Research and Tax Administration Policy Branch** ensures legislative compliance of assigned revenue and taxation statutes associated with real property and consumption taxes. Key responsibilities include the analysis of tax application issues; provision of interpretations and advice; and the development of legislative amendment proposals.

The **Account Management Branch** is responsible for the effective delivery of assigned revenue and taxation programs associated with real property and consumption taxes. Key responsibilities include registration and licensing of businesses; billing and collection of real prop-

erty taxes; processing of tax returns and refund claims; accounting functions related to revenues; development and implementation of legislative amendments; and provision of critical program support and expert advice relative to the administration of tax programs.

The **Audit and Investigation Services Branch** provides audit, assurance and refund verification functions as well as education, inspection and information regarding program services. The branch provides compliance monitoring of business activities under the assigned acts, within the department and on behalf of other departments and agencies.

HIGHLIGHTS

The Research and Tax Administration Policy Branch:

- ◆ Continued with the implementation phase of the amendments to the Harmonized Sales Tax Act as it pertains to vehicles resulting in the identification of more than 800 cases of tax evasion.
- ◆ Provided the research and tax interpretation needed by the Tax Commissioner to render decisions on 113 objections and 10 appeals in the fiscal year.

The Account Management Branch:

- ◆ As a result of the department's ongoing efforts to ease administrative burdens, reduce errors and encourage prompt return reporting by IFTA licensed carriers, the branch developed and implemented a new online quarterly tax return process.
- ◆ The branch continues to improve licencing and refund activities, by implementing efficiencies in processes. The branch processed approx. 6,800 licences

and permits with an average processing time of 4.5 days, and processed approx. 12,700 refunds with an average processing time of seven days.

- ◆ Continued to digitize records to enhance security and prolong their life. More than 67,000 records were scanned, bringing the total to 180,400 scanned documents to date.
- ◆ The branch successfully completed three tax sales. 724 properties were involved in the tax sale process, for which more than \$4.0 million in outstanding taxes were collected.

The Audit and Investigation Services Branch:

- ◆ During the fiscal year the branch continued to conduct audits of the Provincial Vehicle Tax (PVT) under the Provincial Harmonized Sales Tax Act. As part of the routinely selected vehicle transactions for review to ensure compliance with the act, some of these transactions were referred to the Audit and Investigation Services Branch for further review and investigation. For the year, 449 audits were conducted which resulted in the collection of \$444,074 in PVT.
- ◆ During the fiscal year the branch continued to administer and audit the Small Business Investor Tax Credit program. In 2017-2018 the branch approved 175 New Brunswick companies that resulted in \$39.9 million in investments in small businesses.
- ◆ In August 2017, the branch launched a new project related to audits of the Tangible Personal Property Tax (TPPT) under the Provincial Harmonized Sales Tax Act. As part of this initiative, "boat trailer only" transactions were reviewed to ensure compliance with the act. The branch conducted 196 investigations and completed 71 audits under the TPPT and an additional tax amount of \$91,833 was assessed.

Financial information

	Budget (\$000)	Actual (\$000)
Personal services	8,001.5	7,443.4
Other services	2,144.8	2,319.0
Materials and supplies	176.8	97.4
Property and equipment	136.8	29.2
Debt and other charges	340.0	696.7
TOTAL	10,799.9	10,585.7

Summary of staffing activity

Pursuant to section 4 of the *Civil Service Act*, the Deputy Minister of the Department of Human Resources delegates staffing to each Deputy Head for his or her respective department(s). Please find below a summary of the staffing activity for 2017-2018 for the Department of Finance.

The department advertised nine competitions, including open (public) competitions and two closed (internal) competitions.

Number of permanent and temporary employees as of Dec. 31 of each year		
Employee type	2017	2016
Permanent	114	121
Temporary	8	9
TOTAL	122	130

Pursuant to sections 15 and 16 of the *Civil Service Act*, the department made the following appointments using processes to establish merit other than the competitive process:

Appointment type	Appointment description	Section of the <i>Civil Service Act</i>	Number
Specialized Professional, Scientific or Technical	An appointment may be made without competition when a position requires: <ul style="list-style-type: none"> – a high degree of expertise and training – a high degree of technical skill – recognized experts in their field 	15(1)	0
Equal Employment Opportunity Program	Provides Aboriginals, persons with disabilities and members of a visible minority group with equal access to employment, training and advancement opportunities.	16(1)(a)	0
Department Talent Management Program	Permanent employees identified in corporate and departmental talent pools, who meet the four-point criteria for assessing talent, namely performance, readiness, willingness and criticalness.	16(1)(b)	0
Lateral transfer	The GNB transfer process facilitates the transfer of employees from within Part 1, 2 (school boards) and 3 (hospital corporations) of the Public Service.	16(1) or 16(1)(c)	1
Regular appointment of casual/temporary	An individual hired on a casual or temporary basis under section 17 may be appointed without competition to a regular properly classified position within the Civil Service.	16(1)(d)(i)	0
Regular appointment of students/ apprentices	Summer students, university or community college co-op students or apprentices may be appointed without competition to an entry level position within the Civil Service.	16(1)(d)(ii)	0

Pursuant to section 33 of the *Civil Service Act*, zero complaints alleging favouritism were made to the Deputy Head of the Department of Finance and zero complaints were submitted to the Ombud.

Summary of legislation and legislative activity

Bill #	Name of legislation	Date of Royal Assent	Summary of changes
31	<i>An Act to Amend the New Brunswick Income Tax Act</i> https://www.gnb.ca/legis/bill/pdf/58/3/Bill-31.pdf	May 5, 2017	The amendments to the <i>New Brunswick Income Tax Act</i> will eliminate the New Brunswick tuition and education tax credits and will also permit unused tuition and education credit amounts carried forward from years prior to 2017 to be available to be claimed in 2017 and subsequent taxation years.
32	<i>An Act to Amend the Pre-arranged Funeral Services Act</i> https://www.gnb.ca/legis/bill/pdf/58/3/Bill-32.pdf	May 5, 2017	The amendments will expand the scope of pre-arranged funeral services that can be coordinated by funeral providers, and clarify requirements with respect to the transfer of pre-arranged funeral service plans. These measures will increase consumer protection and promote regulatory compliance.
54	<i>An Act to Amend the Collection Agencies Act</i> https://www.gnb.ca/legis/bill/pdf/58/3/Bill-54.pdf	May 5, 2017	The amendments will provide the Financial and Consumer Services Commission the ability to regulate debt settlement agencies, and will enhance consumer protection for New Brunswickers.
55	<i>Credit Reporting Services Act</i> https://www.gnb.ca/legis/bill/pdf/58/3/Bill-55.pdf	May 5, 2017	The new <i>Credit Reporting Services Act</i> will provide the Financial and Consumer Services Commission the ability to regulate credit reporting; and restrict the activities of credit repair companies. These measures will enhance consumer protection for New Brunswickers.
60	<i>An Act to Amend the New Brunswick Income Tax Act</i> https://www.gnb.ca/legis/bill/pdf/58/3/Bill-60.pdf	May 5, 2017	Reduction in the Dividend Tax credit rate on dividends paid from income taxed at the small business rate from 3.5% to 3.245% for the 2017 taxation year
68	<i>Loan Act 2017</i> https://www.gnb.ca/legis/bill/pdf/58/3/Bill-68.pdf	May 5, 2017	Provides authority in accordance with Section 4 of the <i>Provincial Loans Act</i> for the Lieutenant-Governor in Council to raise sums of money not exceeding in the aggregate \$815 million dollars.
69	<i>Appropriations Act 2017-2018</i> https://www.gnb.ca/legis/bill/pdf/58/3/Bill-69.pdf	May 5, 2017	There may be paid out of the Consolidated Fund a sum not exceeding in the whole \$8,361,816,000 to be applied towards defraying the several charges and expenses of the public service.
7	<i>An Act to Amend the Pension Benefits Act</i> http://www.gnb.ca/legis/bill/pdf/58/4/Bill-7.pdf	Dec. 20, 2017	<ul style="list-style-type: none"> – Provide clarification on some shared risk sections identified through five years' experience with Part 2 of the Act; and – Bring greater certainty to pension plan administrators with respect to the interpretation of certain provisions of the PBA.
8	<i>An Act Respecting the Financial and Consumer Services Tribunal</i> http://www.gnb.ca/legis/bill/pdf/58/4/Bill-8.pdf	Dec. 20, 2017	Enhance the efficiency, processes and adjudicative independence of the Financial and Consumer Services Tribunal; and ensure persons are not deprived of their right to appeal decisions of regulators to the Tribunal.
17	<i>Cannabis Management Corporation Act</i> http://www.gnb.ca/legis/bill/pdf/58/4/Bill-17.pdf	March 16, 2018	<ul style="list-style-type: none"> – Established in legislation the Cannabis Management Corporation, a crown corporation charged with the oversight, organization, conduct, management and control of the retail sales of recreational use cannabis in NB. – Establish a responsible use and corporate social responsibility policy to address public education and awareness initiatives regarding the use of recreational cannabis.

Bill #	Name of legislation	Date of Royal Assent	Summary of changes
18	<i>Cannabis Education and Awareness Fund Act</i> http://www.gnb.ca/legis/bill/pdf/58/4/Bill-18.pdf	March 16, 2018	Ensures that funds will be available on an on-going basis to carry out essential work, research and funding. Established an Advisory Committee composed equally of individuals from inside government as well as those external to government that will advise on funding.
20	<i>An Act to Amend the New Brunswick Liquor Corporation Act</i> http://www.gnb.ca/legis/bill/pdf/58/4/Bill-20.pdf	March 16, 2018	The amendments will authorize the Corporation to participate in this new industry by adding the general business of buying, selling and distributing recreational cannabis.
22	<i>The Pooled Registered Pension Plans Act</i> http://www.gnb.ca/legis/bill/pdf/58/4/Bill-22.pdf	Dec. 20, 2017	Allow for the establishment of a new type of pension plan, address the problem of New Brunswickers who enter into retirement with insufficient pension income, provide an opportunity for the self-employed and employees of small to medium-sized NB businesses the option to participate in a pension plan, enable NB small to medium-size businesses the option to offer their employees a low cost pension plan, provide the self-employed and employees of small to medium-sized NB businesses with another tool to aid in retirement planning, and further harmonize NB pension law with other Canadian provinces.
23	<i>An Act to Amend the New Brunswick Income Tax Act</i> http://www.gnb.ca/legis/bill/pdf/58/4/Bill-23.pdf	Dec. 20, 2017	The amendments will implement: <ul style="list-style-type: none"> – the last phase of the government’s commitment to lower the small business corporate income tax rate from 4.5% to 2.5% – Reduction in the Dividend Tax credit rate on dividends paid from income taxed at the small business rate from 3.245% to 2.853% for the 2018 taxation year and from 2.853% to 2.75% for the 2019 and subsequent taxation years. – eliminate the political contribution deduction for corporations. – to ensure that the New Brunswick legislation is consistent with the federal <i>Income Tax Act</i> resulting from amendments to the federal <i>Income Tax Act</i>.
30	<i>An Act to Amend the Insurance Act</i> http://www.gnb.ca/legis/bill/pdf/58/4/Bill-30.pdf	March 16, 2018	The amendment will prevent insurance companies from denying coverage to innocent co-insureds for property damage caused by an abusive partner.
45	<i>Loan Act 2018</i> http://www.gnb.ca/legis/bill/pdf/58/4/Bill-45.pdf	March 16, 2018	Enables the Province to obtain financing for a term greater than one year for new budgetary cash requirements. The authority sought is \$775 million dollars.
46	<i>Appropriations Act</i> http://www.gnb.ca/legis/bill/pdf/58/4/Bill-46.pdf	March 16, 2018	The Act closed the main estimates and the capital estimates tabled by the government.

The acts for which the department was responsible in 2017-2018 may be found at:

<http://laws.gnb.ca/en/deplinks?subjectnumber=9>

Summary of Official Languages activities

Introduction

The department based its Official Languages plan on the new *Government Plan on Official Languages* introduced in 2015. The department's action plan includes strategic means for each of the four sectors of activity found in GNB's *Plan on Official Languages Official Bilingualism: A Fundamental Value*. These plans are part of an effort to advance the status of Official Languages and to ensure the department implements the measures necessary to fulfil its obligations under the *Official Languages Act*.

Focus 1

Ensure access to service of equal quality in English and French throughout the province:

- Objective: Ensuring that the department maintained and updated appropriate linguistic profiles. Ensuring when the department hires a bilingual complement for a linguistic team, it has them evaluated through Service New Brunswick.
- All linguistic profiles were updated and maintained regularly to ensure the linguistic requirements set forth in each work group were appropriate to meet the needs of clients as per the Language of Service policy.

Focus 2

An environment and climate that encourages, for all employees, the use of the Official Language of their choice in their workplace:

- Objective: All personnel services and other administrative services provided to employees must be offered and provided in the employees' Official Language of choice. As part of its action plan, the department is ensuring that new hires, employees transferring from other departments and current employees are aware that they can work in the Official Language of their choice. During the hiring process the department is using the new letter of offer template that provides the new hired employees the opportunity to advise HR and management in which Official Language they prefer their written and oral communication to be in.

Focus 3

Some of the department's ongoing efforts related to the promotion of Official Languages included:

- ensuring that Official Languages are a key consideration in the development of any internal and external policies;
- ensuring that written and oral communications to employees are offered in both Official Languages and delivered at the same time;
- conducting performance review meetings in the employee's Official Language of choice; and
- promoting, on an ongoing basis, Official Languages in training or at all staff events.

Focus 4

Ensure Public Service employees have a thorough knowledge and understanding of the Official Languages Act, relevant policies, regulations, and the province's obligations with respect to Official Languages:

- Objective: During performance review meetings, managers ensure that employees are aware and have refreshed themselves with GNB's Official Languages obligations. When new employees are hired in the department, the Human Resources contact ensures they receive an email with the links to the Official Languages policies and tool kit.
- Strategy: Managers are aware that performance reviews are to take place in the Official Language of choice to comply with the official languages policies. A section was added to the performance reviews to indicate the employee's Official Language of choice for the meeting.
- The Official Language newsletter was distributed to all employees.

Conclusion

The department ensured ongoing promotion of Official Languages policies and continued to offer quality services to clients in their Official Language of choice. The department did not receive any Official Language complaints, and it is very proud of this accomplishment.

Summary of recommendations from the Office of the Auditor General

Section 1: Includes the current reporting year and the previous year.

Name and year of audit area with link to online document	Recommendations
	Total
Report of the Auditor General Volume III Special Examination (2017) https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2017V3/Chap2e.pdf Chapter 2	2
Department of Finance – Matters Arising from our Audit of the Financial Statements of the Province (2016) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2016V4/Chap4e.pdf Chapter 4, pages 92 and 101	2

Adopted Recommendations	Actions Taken
2.139 We recommend the Department of Finance propose to Cabinet that Finance assume responsibility for the administration of all: – property tax policy changes; and – property tax benefit and relief programs.	The recommendations along with an action plan were presented and approved by Cabinet on February 14, 2018. The Department of Finance will assume the legislative oversight and the appropriate implementation of property tax related policies going forward.
2.146 We recommend the Department of Finance issue property tax bills separate from the assessment notice and clearly demonstrate how property taxes are calculated, including all the applicable credits, deductions, and exemptions.	The Department of Finance is currently working collaboratively with SNB to implement this recommendation.
4.75 We recommend the Department of Finance formally document its process for reviewing and approving estimates provided by the Federal government to calculate Corporate Income Tax revenue. Documented evidence of the approval should be retained for audit purposes.	The Department of Finance will provide documentation of the approval of estimates with the Federal government going forward.
4.86 Collection of Accounts Receivable Balances	The Department of Finance agreed to continued monitoring of its receivable balances on a monthly basis and work with Service New Brunswick (formerly the Treasury Board) on an on-going basis to improve the effectiveness of the collection process.

Section 2: Includes the reporting periods for years three, four and five.

Name and year of audit area with link to online document	Recommendations	
	Total	Adopted
Department of Finance – Property Tax System (2013) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2013V1/Agrepe.pdf Chapter 4, pages 83 to 86	5	5
Department of Finance – Collections of Accounts Receivable (2013) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2013V2/agrepe.pdf Chapter 5, pages 188 to 191	2	2
Department of Finance – Matters Arising from our Audit of the Financial Statements of the Province (2014) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2014V1/Chap4e.pdf Chapter 4, page 97 and 98	2	2
NOTE: this was the responsibility of the Office of the Comptroller		
Department of Finance – Matters Arising from our Audit of the Financial Statements of the Province (2015) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2015V3/Chap6e.pdf Chapter 6, page 142 and 144	3	3
Department of Finance – Public Debt (2015) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2015V4/Chap2e.pdf Chapter 2, pages 18 to 19	8	2

Report on the *Public Interest Disclosure Act*

As provided under section 18(1) of the *Public Interest Disclosure Act*, the chief executive shall prepare a report of any disclosures of wrongdoing that have been made to a supervisor or designated officer of the portion of the public service for which the chief executive officer is responsible. The Department of Finance did not receive any disclosures of wrongdoing in the 2017-2018 fiscal year.

Appendix

**Table 1:
Audit and Investigation Services**

Activity volumes for 2017-2018

Program activity or service	Assignment volume
Audits	1747
Compliance reviews and inspections	302
Investigations	733
Educational visits	269
Delinquency clearances	41
Refunds	50
Administrative penalties	157
Legal actions and roadside checks	73
Subtotal	3372
Warnings and fines	47
Other jurisdictional audit reviews	371
Total volume	3790

**Table 2:
Program services**

A listing of activities and corresponding expenditures or revenues for some of the key tax and benefit programs administered by the Revenue Administration Division.

Activity volumes for 2017-2018

Program or service	Volume (number)	Amount (\$000)
Financial Corporation Capital Tax payments	148	32,454
Financial Corporation Capital Tax refunds	14	4,815
Fuel payments made by collectors	1,398	321,744
Fuel Tax refunds	2,639	31,337
Harmonized Sales Tax refunds	53	459
Home Energy Assistance Program	42,856	4,286
Low-income Property Tax Allowance (January to December 2017)	25,689	6,496
Low-income Seniors' Benefit	43,230	17,292
Provincial Vehicle Tax payments	49,497	24,454
Provincial Vehicle Tax refunds	1,390	629
Real Property Tax Certificates	22,613	548
Real Property Tax payments	755,995	1,109,404
Real Property Tax refunds	7,744	8,151
Property Tax Deferral Program for Seniors	103	97
Small Business Investor Tax Credit *	175	39,943
Tangible Personal Property Tax payments	1,118	1,150
Tobacco payments made by collectors	253	164,339
Tobacco Tax refunds	362	12,044

** These figures represent the number of approved applications and the total value of the investments.*