

Department of Finance Canada

2019–20

Departmental Results Report

The Honourable Chrystia Freeland P.C., M.P.
Deputy Prime Minister and Minister of Finance

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

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Cette publication est également disponible en français.

Cat No. F1-55E-PDF

ISSN: 2560-9033

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Ministers' message

This has been an extraordinary year for the Department of Finance and the people who work here. Not since the early years of the Second World War has Finance played such a pivotal role in a time of crisis for Canadians.

Canada's COVID-19 economic response plan has preserved millions of Canadians' jobs and allowed millions of families to keep paying their rent and buying groceries. It has kept businesses, charities and not-for-profits across our country afloat, in an uncertain and very difficult business climate.

These are achievements of which every Finance employee can be rightly proud.

The department supported health systems across Canada through the Safe Restart Agreement with provinces and territories, providing funding for PPE, testing and contact tracing. And when our children went back to school, Finance was there with emergency support for safe schools.

Our continuing support and recovery programs, updated as circumstances evolve, are now laying the foundation for a robust, lasting recovery from the coronavirus recession – one in which all Canadians will have a share. We are taking action to promote inclusive and sustainable growth which will improve Canadian's quality of life in the months and years to come.

Canada's long tradition of wise, prudent fiscal stewardship, and our strong fiscal position entering 2020, made it possible for the government to respond swiftly and effectively when the coronavirus struck. And it enables us to continue making the necessary investments now.

As the Prime Minister has said: We will do whatever it takes to help Canadians and Canadian businesses through to the other side.

Our objective is to prevent permanent economic harm, both broadly and at the level of individual businesses. This is both the right thing to do -- and the economically smart thing to do.

In order for us to build a lasting, inclusive and robust recovery, Canadian businesses must remain solvent and their workers on the payroll. That leaves it to government to provide the necessary backstop. And we always bear in mind that our resources are limited and these programs are not permanent. When the virus is defeated and the recovery is in place, fiscal guardrails and fiscal anchors will be re-imposed.

Meanwhile we remain nimble, vigilant and responsive. As the International Monetary Fund has said: In 2020, the risks of doing too little outweigh the risks of doing too much.

As we confront an aggressive second wave of the coronavirus, we know more hard work and uncertainty lie ahead. Canadians can count on this government to be there to support those who need it -- and meet any new challenges that arise.

Signed,



The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance



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

Results at a glance and operating context

What funds were used?

The Department of Finance Canada's actual spending for 2019-20 (dollars):

98,842,680,685

Who was involved?

The Department of Finance Canada's actual full-time equivalents (FTEs) for 2019-20:

844

Operating Context

The Department of Finance Canada operates in a complex and dynamic environment, which was amplified as we entered into remote work settings near the end of the fiscal year while also being the vanguard in leading the economic response to a once-in-a-century pandemic.

Over the course of 2019-20, the Department monitored Canada's economy which continued to perform well in a context of slowing global growth and heightened trade disruptions. Building on the economy's performance over the previous four years, strong employment gains, historically low unemployment and rising household incomes helped Canadian consumers feel confident about the future. Nearing the end of the fiscal year, the COVID-19 pandemic began affecting countries around the world and did not spare Canada.

In an effort to keep the virus from spreading, provinces and territories effectively shut down their economies by prohibiting people from gathering, closing places of work, schools, and retail businesses, and the federal government imposed travel restrictions. From mid-March to the end of April 2020, a vast number of businesses had scaled back or shut down operations and in all, 5.5 million Canadians either lost their jobs or saw their hours reduced, while real GDP fell by 20%.

In addition, Canadian businesses had also faced ongoing challenges such as pipeline capacity constraints, as well as trade restrictions in foreign markets, such as agricultural exports and metals. Nevertheless, until the onset of the COVID-19 pandemic, businesses remained modestly confident throughout the year as domestic sales improved and demand by the United States was steady. Overall, economic growth averaged at 1.6 per cent in 2019, making Canada the second-fastest-growing economy in the Group of Seven (G7).

The Department of Finance was called upon to assist in developing and setting up economic

support measures to protect Canadians. In this context, the volume of work produced by the Department, as well as the urgency and tight timelines, in addition to trying physical circumstances in which that work was completed have been unprecedented.

In response to the pandemic, the Government of Canada focused its efforts on providing meaningful support to individual Canadians and the businesses they own and run. The Department's role in this endeavor was significant. The Department led the development and delivery of at least sixteen economic response measures, many of them large and complex in nature and carried out its central agency challenge function by reviewing, vetting and modifying almost one hundred other government support programs. The Department was also the communications lead for the government's response, announcing new programs and responding to media inquiries on the economic response plan.

Results at a Glance

In 2019-20, the Department of Finance Canada continued 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 invests in people and in the things that impact Canadians' quality of life, while continuing to build confidence in Canada's economy. This focus on Canadians and the economy continued throughout the onset of the global COVID-19 pandemic. Over the course of the fiscal year the Department focused its attention on four key priority areas, and the work in these areas enabled the Department to support the Government of Canada on delivering an economic response plan to provide Canadians with the support they needed.

Sound fiscal management

The Department continued to ensure effective management of the economic and fiscal framework, including responsible management of the federal budget and the federal debt. In support of this priority, the Department:

- ▶ Supported the implementation of legislative proposals aimed at improving the fairness and integrity of the tax system;
- ▶ Supported the government's commitment to ensuring that Canada remains competitive in the face of international developments;
- ▶ Provided advice on tax policy matters in the context of establishing a new fiscal relationship with Indigenous peoples; and
- ▶ Managed the government's debt program and foreign reserves to achieve government objectives, including the unprecedented funding of the government's response to

COVID-19 to support Canadians.

Inclusive and sustainable economic growth¹

As part of the Government's efforts to encourage productivity, growth and opportunities for all Canadians, the Department played a leadership role in developing policies that encourage Canadians to participate in the economy and benefit from economic growth by ensuring that growth today is not at the expense of future prosperity. In support of this priority, the Department:

- ▶ Advanced measures to support a sound and efficient financial sector that serves the needs of Canadians;
- ▶ Continued to advance the Government's commitment to fairness and equality through gender budgeting;
- ▶ Continued to support efforts to manage the federal carbon pollution pricing system, enacted under the *Greenhouse Gas Pollution Pricing Act*;
- ▶ Lead the implementation of new and innovative responses including the Canada Emergency Business Account and Canada Emergency Wage Subsidy programs and,
- ▶ Supported the Government in taking swift and decisive actions to protect Canadians and businesses from the impacts of COVID-19 whereby funding proposals were informed by Gender Based Analysis Plus (GBA+).

Sound social policy framework

The Department continued to manage the major transfer payments to provinces and territories and worked in collaboration with our stakeholders, other government departments, central agencies and provincial and territorial partners to develop policy proposals that are consistent with, and deliver on, the Government's social policy priorities. In support of this priority, the Department:

- ▶ Provided a total of \$78.7 billion in support to provinces and territories through the Canada Health Transfer, Canada Social Transfer, Equalization and Territorial Formula Financing;
- ▶ Supported the bi-annual finance ministers' meetings, which gathered the federal, provincial and territorial finance ministers to discuss a number of issues of importance for Canada's economy, including the housing market, money laundering and terrorist financing, the 2019-21 triennial review of the Canada Pension Plan, cannabis taxation

¹ This priority relates to a government-wide commitment.

and the federal Fiscal Stabilization program; and

- ▶ Provided analysis and advice on Canada’s response to the COVID-19 pandemic, including supporting health system preparedness, providing additional Canada Health Transfer payments to provinces and territories, ensuring adequate supplies of personal protective equipment, and ensuring that Canadians had access to income support.

Effective international engagement

In support of the Government’s commitment to maintain Canada’s leadership and engagement globally and to deepen its trading relationships, the Department monitored 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. In support of this priority, the department:

- ▶ Actively supported the implementation of the *Canada-United States-Mexico Agreement* (CUSMA), including significant legislative and regulatory amendments to implement CUSMA in domestic law;
- ▶ Supported the participation of the Prime Minister, Minister of Finance, and Associate Deputy Minister in multilateral summits and meetings for both the G7 and the G20; and
- ▶ Contributed to the implementation of the Joint Statement between the United States and Canada for the repeal of the United States’ tariffs on Canadian steel and aluminum and of Canada’s countermeasures on imports from the U.S.

For more information on the Department of Finance Canada’s plans, priorities and results achieved, see the “Results: what we achieved” section of this report.

Results: what we achieved

Core responsibility

Economic and Fiscal Policy

Description

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

Results

In 2019-20, the Department of Finance continued to support the Government's economic policy agenda by providing high quality and timely analysis and advice on broad macroeconomic and fiscal policies, tax and tariff policy, financial sector policy, and the economic implications associated with sectoral, regional and microeconomic policy issues and programs. The work under its four key priority areas throughout the course of 2019-20, best positioned the Department to play an extensive role in developing and supporting the Government of Canada's economic response to the COVID-19 pandemic. This results section provides a detailed account of the Department's key role in the pandemic response, as well as other key successes all in support of its four key priorities.

Sound fiscal management

Over the course of the fiscal year, the Department provided analysis and advice to the Ministers on changing global and domestic economic conditions and their implications on the federal budget framework. In particular, the Department increased its monitoring of global and domestic economic developments and identified potential areas of vulnerability throughout a year that experienced slowing global growth, increased trade tensions and looser monetary policy and interest rate cuts by central banks. Within that context, and prior to the onset of COVID-19, the Canadian economy performed well, with strong employment and wage gains. Canada's federal debt relative to the size of its economy remained low and Canada had the best balance sheet among G7 countries.

Canada's relatively strong position meant that the Government had the fiscal firepower required to take advantage of historically low interest rates, and respond swiftly and effectively to shore up the foundations of the post-pandemic recovery. The Department's pre-pandemic work, some of which are listed below, further strengthen the overall position of the country's financial stability and fairness.

The Department improved its contingency planning to address potential stress in meeting the government's financial requirements, including conducting tabletop exercises with the Bank of Canada and improving access to prudential liquidity tools. In addition, the Department provided advice to the Funds Management Committee² on the appropriate mix of assets to ensure the liquid reserves portfolio achieved key objectives such as capital preservation, maintaining high liquidity, and, subject to the first two, optimized returns for the Government of Canada.

To respond to the needs of capital markets, starting in March 2020, the Department worked with the Bank of Canada to establish a number of market liquidity facilities to support core funding markets in Canada. This ensured that Canadian borrowers, including provincial governments and companies, were able to continue to access funding from capital markets to support the economy and Canadians without major disruption.

While the Department, along with other financial sector agencies (through the Senior Advisory Committee and the Financial Institutions Supervisory Committee), continuously review the Canadian financial sector framework, this was of specific importance throughout 2019-20 into 2020-21 to strengthen financial stability and maintain a safe and sound financial system as the country navigates the pandemic.

The Department deposited Canada's instrument of ratification on August 29, 2019 for the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* (often referred to as the Multilateral Instrument, or MLI). The MLI is a multilateral convention designed to implement the tax treaty-related measures developed by the Organisation for Economic Co-operation and Development (OECD) and G20 in a jointly led project on Base Erosion and Profit Shifting (BEPS), which came into force for Canada on December 1, 2019.

On July 30, 2019, the Department released, for consultation, [draft legislative proposals](#) for income tax measures announced in Budget 2019. The draft legislative proposals included budget measures to strengthen Canada's international tax rules and close tax loopholes.

In support of the Ministers' commitment to sound fiscal management, the Department engaged with Indigenous groups and organizations on tax policy matters relating to the establishment of a new fiscal relationship with Indigenous peoples and provided advice to the Minister of Finance on these matters.

In 2019-20, the Department continued to assess whether Canada's tax system remains internationally

² The Funds Management Committee is a decision-making body responsible for all activities covering the Government's financial asset and liability functions.

competitive. In 2019, the Department released a [background document](#) on its methodology for the marginal effective tax rate (METR)³ along with its updated METR estimates. Canada's METR was the lowest in the G7 at 13.5% in 2020. Canada's combined federal-provincial-territorial tax rate on small businesses was also the lowest in the G7 at 12.0%. Canada's tax system retained many attractive features in 2019-20, including a value-added tax that does not apply to most business purchases, the harmonization of federal and provincial/territorial tax administration in most provinces and territories, an Accelerated Investment Incentive⁴, and immediate expensing for qualifying machinery and equipment used in manufacturing and processing, specified clean energy equipment, and eligible zero-emission vehicles.

The Department will continue to support the Government's efforts, as we continue to fight the pandemic, to lay a foundation for a recovery that is long-lasting, robust, and equitable and fostering a greener, fairer and more innovative economy that supports good jobs for all Canadians.

Inclusive and sustainable economic growth

The COVID-19 crisis has made it clear that it is insufficient for governments to think one step ahead and to make decisions based on one-dimensional metrics of success, such as GDP growth. As noted in *Economic and Fiscal Snapshot 2020*, the government is working on incorporating quality of life measurements into decision-making, including the development and implementation of Canada's COVID-19 Economic Response Plan. Countries such as New Zealand and the United Kingdom have explicitly incorporated approaches to budgeting and decision making that are focused on broader range of measures that go beyond GDP and are better reflective of the determinants of citizens' overall quality of life, such as health, safety, financial security, mental health, a sustainable environment and thriving society.

Late in 2019-20 the Department began engaging with these jurisdictions and with domestic and international experts in the determinants of human well-being to design a prospective Quality of Life framework for Canada. This work is anticipated to bring a new way of thinking to how the Department

Federal Market Debt and International Reserves

In a continued effort to provide transparency to Canadians with respect to the management of the federal market debt and international reserves, the Department of Finance Canada published the following strategy and reports on behalf of the Government of Canada:

[Debt Management Strategy](#)
[Debt Management Report](#)
[Report on the Management of Canada's Official International Reserves](#)

³ The METR is a comprehensive measure of the tax burden on new business investments that takes into account many features of the tax system, including statutory corporate income tax rates, investment tax credits, key deductions, such as capital cost allowances, capital taxes and unrecoverable sales taxes paid on capital purchases.

⁴ The Accelerated Investment Incentive was announced in the Government of Canada's 2018 Fall Economic Statement. The incentive allows businesses to claim up to three times the amount of the deduction that would normally apply in the first year for certain eligible property that is subject to the Capital Cost Allowance rules.

reports on its performance in future generations of this report, reflecting a continued focus on prosperity, inclusive and sustainable growth, with more explicit consideration of how investment decisions will impact Canadians' quality of life.

Together with Infrastructure Canada, the Department supported the Minister of Finance and the Minister of Infrastructure and Communities in their respective roles related to the Canada Infrastructure Bank's (CIB) corporate plan and capital and operating budgets. The Department participated in three Deputy Minister strategy tables (Green, Trade and Transportation, and Broadband) to support the CIB's work across infrastructure asset classes. In addition, the Department, along with Transport Canada and Infrastructure Canada, supported the CIB's work with VIA Rail on high frequency rail. The Department also continued to perform its treasury functions to provide the necessary funds for the CIB's approved operating and investment activities in 2019-20.

Over the course of the fiscal year, the Department prioritized initiatives to promote a stable and accessible housing market. For example, the Department reviewed and considered recommendations from the federal financial agencies on behalf of the Government of Canada and announced changes to the benchmark rate used to determine the minimum qualifying rate for insured mortgages, also known as the "stress test". In addition, as announced on September 4, 2019, the Department launched the Canada-British Columbia (B.C.) Expert Panel on the Future of Housing Supply and Affordability. This panel is tasked with identifying and evaluating federal and provincial measures to increase the supply of housing and improve affordability in high-priced markets in B.C.

The Department also advanced work to support a sound and efficient financial sector that serves the needs of Canadians. In this regard, the Minister of Finance appointed an [Advisory Committee](#) to facilitate a review on the merits of open banking and on January 31, 2020 the Minister released the Committee's [findings from the first phase](#) of the review, and announced a second phase of work with a particular focus on data security in financial services. The Committee will deliver the results of its findings to the Minister by the end of December 2020.

The Department, on behalf of the Government of Canada, completed amendments to the *Pension Benefits Standards Act, 1985* to better protect workplace pensions in the event of corporate insolvency, as announced in Budget 2019. In addition, the Department undertook consultations on a new framework for multi-employer negotiated contribution pension plans with a view to implement a new framework by early 2021.

In 2019-20, the Department worked closely with officials from Innovation, Science and Economic Development Canada and Global Affairs Canada in supporting the implementation and progression of the Innovation and Skills Plan and the Export Diversification Strategy and provided advice to the

Minister of Finance on all proposed initiatives to identify those that are supportive of or provide challenges for these comprehensive economic policies.

The Department of Finance Canada continued to support efforts to manage the federal carbon pollution pricing system, enacted under the *Greenhouse Gas Pollution Pricing Act*. The federal system is comprised of a fuel charge on fossil fuels and an output-based pricing system for large industrial facilities. This system has been specifically designed to ensure that there is a price on carbon pollution across Canada. In 2019-20, the Department of Finance Canada prepared and released regulatory proposals related to the application of the federal fuel charge in Alberta and New Brunswick. The Department also supported the Minister of Finance in specifying the 2020 Climate Action Incentive payment amounts, recognizing the Government's responsibility to return all net direct proceeds generated under the fuel charge to the jurisdiction of origin.

With respect to combatting financial crime, the Department developed legislative and regulatory amendments to increase the effectiveness of Canada's Anti-Money Laundering and Anti-Terrorist Funding Regime. This included changes made to the *Criminal Code of Canada*, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, and its associated regulations, in 2019-20.

In June 2019, the Expert Panel on Sustainable Finance appointed by the Minister of Finance and the Minister of Environment and Climate Change Canada and supported by officials from each department, delivered its [final report](#) with a package of recommendations for mobilizing the financial sector to support Canada's climate objectives.

The Department of Finance was also at the forefront in delivering two new government initiatives announced under the Government of Canada's economic response to COVID-19. This included a special top-up payment under the Goods and Services Tax Credit and a special one-time top-up of the Canada Child Benefit.

As part of the COVID economic response, a coordinated package of financial sector measures was announced to support the functioning of markets and continued access to financing. This included:

Increase in Basic Personal Amount to \$15,000

- On December 19, 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.
- The Government proposed to increase the Basic Personal Amount (BPA) to \$15,000 by 2023. This enhanced BPA will help make life more affordable for Canadians and will cut taxes for close to 20 million Canadians.
- Once fully implemented in 2023, single individuals will save close to \$300 in taxes every year, and families will save nearly \$600 yearly.

- ▶ the establishment of the Business Credit Availability Program to support financing in the private sector;
- ▶ the lowering of Domestic Stability Buffer⁵ for domestic systemically important banks to support in excess of \$300 billion in additional lending capacity and support the supply of credit to the economy;
- ▶ the launch by the Bank of Canada of a number of facilities to support continuous functioning of key funding markets and market liquidity; and,
- ▶ a commitment by the major banks to the government that they would support individuals and businesses during the crisis who were facing hardship through, for example, mortgage deferrals and other payment deferral opportunities.

Since March 2020, the Department developed two key measures in particular that had a significant impact on Canadians: the Canada Emergency Business Account and the Canada Emergency Wage Subsidy.

Canada Emergency Business Account (CEBA)

On March 27, 2020, the Government announced the creation of the Canada Emergency Business Account (CEBA). The CEBA provides interest-free, partially forgivable loans of up to \$40,000 to small employers and not-for profit organizations, and is offered through financial institutions, such as banks and credit unions, in cooperation with Export Development Canada and as part of a broader suite of products under the Business Credit Availability Program. In the early stages of economic shutdown, the Department engaged major banks and partners, as well as other government departments to discuss possible options to provide rapid support to businesses. This informed the Department's development of CEBA with the objective to support small businesses that have experienced diminished revenues due to COVID-19 and face ongoing non-deferrable costs, such as rent, utilities, insurance, taxes and employment costs. As of August 6, 710,000 applicants have been approved for CEBA and more than \$28 billion in funds have been disbursed.

Canada Emergency Wage Subsidy (CEWS)

On March 27, 2020, the Prime Minister announced the creation of the Canada Emergency Wage Subsidy Program (CEWS). This program followed the announcement of the 10 per cent wage subsidy announced on March 18 to assist small business affected by COVID-19 under the *COVID-19 Emergency Response Act*. The CEWS provided a strong incentive for employers to keep workers on the

⁵ The Domestic Stability Buffer (DSB) contributes to Domestic Systemically Important Banks' resilience to key vulnerabilities and system-wide risks, contributing to financial stability. The level of the DSB is set on a semi-annual basis (June and December) based on ongoing monitoring of federally regulated financial institutions as well as system-wide and sectoral developments.

payroll. Since its implementation, the Department has improved program accessibility, making it available to a broader range of eligible employers. For the period from March 15, 2020 to August 1, 2020, \$38.42 billion has been spent on wage subsidies with CEWS supporting more than 3.8 million jobs through the COVID-19 crisis⁶.

While the Department played a key role in supporting the Government of Canada's economic response to COVID-19, it also had success in delivering on its key priorities over the course of 2019 and into 2020.

Sound social policy framework

In support of the Department's commitment to sound social policy frameworks, employees worked to continue to support the federal government in delivering the major federal transfers to provinces and territories and provided a total of \$78.7 billion in support to provinces and territories through the Canada Health Transfer, Canada Social Transfer, Equalization and Territorial Formula Financing. The Department has also offered critical advice and assistance in ensuring that provinces and territories have the resources and funds as they battle the pandemic.

The Department maintained regular dialogue with provincial and territorial officials in support of the next renewal of the legislation governing Equalization and Territorial Formula Financing, which must take place before March 31, 2024 and to support the transparent administration of fiscal arrangements.

Over the course of the fiscal year, the Department provided quality and timely analysis and advice on major policy issues including:

- ▶ strategies to stabilize, improve, and modernize the delivery systems of government benefits and programs;
- ▶ the arrangement on offshore revenues with Nova Scotia, finalizing 2016-17 claims under the Fiscal Stabilization Program, and territorial borrowing limits;
- ▶ the implementation of *An Act respecting Indigenous languages* and *An Act respecting First Nations, Métis and Inuit children, youth and families*;
- ▶ options to ensure that the immigration and asylum system are able to respond to emerging pressures;
- ▶ employment and job skills training for youth, students, and recent graduates, including enhancing federal support for apprenticeship, launching a modernized Youth Employment and Skills Strategy, and expanding the Student Work Placement Program.⁷; and,

⁶ Amount of CEWS spent for the March 15, 2020 to August 1, 2020 period tabulated as of October 25, 2020. This amount will grow as more applications are made for the CEWS.

⁷ These measures were announced in Budget 2019 and implemented over the course of the 2019-20 fiscal year.

- ▶ the revision of all response measures included in Canada’s Economic Response Plan.

In June and December 2019, federal, provincial, and territorial finance ministers and ministers responsible for anti-money laundering and beneficial ownership met to advance a national response to combat money laundering and terrorist financing in Canada, and reaffirmed their commitment to improving beneficial ownership and transparency. In February 2020, the Department, in collaboration with Innovation, Science and Economic Development Canada, initiated public consultations on the proposed creation of publicly accessible beneficial ownership registries.

In June 2019, the Governor in Council reapproved the Trans Mountain Expansion Project after its certificate was reversed by the Federal Court of Appeal in August 2018. Throughout 2019-20, the Trans Mountain Corporation continued to safely operate the existing pipeline and restart construction. The Department initiated an engagement process with 129 Indigenous groups on the Crown consultation list for economic participation in the project. Towards the end of 2019-20, as the COVID-19 pandemic became an urgent policy issue, the Department pivoted to provide analysis and advice on Canada’s response to the pandemic, including supporting health system preparedness, providing additional Canada Health Transfer payments to provinces and territories, ensuring adequate supplies of personal protective equipment, and ensuring that Canadians had access to income support.

In response to the widespread shut down of the economy, the federal government introduced a broad suite of measures to support businesses and households, in an unprecedented short period of time. In total, approximately 100 individual support programs were developed and implemented during March-May 2020. In support of delivering on these response programs, the Department was responsible for reviewing, challenging and vetting almost each and every one. In addition, to supporting and leading on the development of an overall government response, the Department lead on the policy development, consultations, approvals, and announcement of the following programs:

- ▶ **March 11** – COVID-19 Response Fund, including support for provinces and territories
- ▶ **March 13** – Coordinated measures taken by the Minister of Finance and financial sector partners to support the functioning of markets and continued access to financing for Canadian businesses
- ▶ **March 16** – Relief of duty and tax for Imported Goods for Emergency Use in Response to COVID-19
- ▶ **March 18** – Personal and Corporate Income Tax Payment Deferral
 - 10 per-cent Temporary Wage Subsidy
 - Special One-time Payment through the Goods and Services Tax Credit
 - Special One-Time Top-up of the Canada Child Benefit
 - Temporary Reduction in Registered Retirement Income Fund Required Minimum Withdrawals

- ▶ **March 20** – Temporary amendments to mortgage portfolio insurance eligibility criteria
- ▶ **March 27** – Canada Emergency Wage Subsidy (CEWS)
 - Canada Emergency Business Account (CEBA)
 - Goods and Services Tax/Harmonized Sales Tax and Customs Duty Payment Deferral
- ▶ **April 15** – Essential Worker Wage Top-up
 - Relief to Federally Regulated Pension Plan Sponsors
- ▶ **April 16** – Canada Emergency Commercial Rent Assistance
- ▶ **April 17** – Cleaning up Former Oil and Gas Wells
- ▶ **May 4** – Direct Deposit and Indemnity for Encashment of Benefit Cheques
- ▶ **May 6** – Customs Duty Remission on Medical Goods
- ▶ **May 15** – Canada Emergency Wage Subsidy extended to August 29, 2020
- ▶ **May 11** – Large Employer Emergency Financing Facility and expansion of the Business Credit Availability Program to mid-sized companies with larger financing needs
- ▶ **July 10** – Relief for Junior Mining Exploration and other Flow-through Share Issuers
- ▶ **July 17** – Canada Emergency Wage Subsidy
- ▶ **July 31** – Canada Emergency Commercial Rent Assistance extended to the end of August 2020

In total, as of August 6, 2020, the Department supported the federal government in providing \$214.25 billion in direct support to workers and businesses, \$85 billion in tax liquidity support, and \$25.6 billion in support for coordinated federal, provincial and territorial action to protect the health and safety of Canadians. Combined, these measures represent about 14.1 per cent of Canada's GDP.⁸

Effective international engagement

On international trade, in 2019-20, the Department actively supported the implementation of the Canada-United States-Mexico Agreement (CUSMA), including significant legislative and regulatory amendments to implement CUSMA in domestic law. The Department also led and contributed to government-wide priorities including:

- ▶ leading and co-leading negotiations in free trade agreements (e.g., Canada-Mercosur) and at the World Trade Organization (WTO) in the areas of tariffs, trade remedies, financial services, fisheries subsidies;
- ▶ advising on the trade implications of Brexit for Canada; and,
- ▶ supporting Canadian leadership of the Ottawa Group to reform the WTO and modernize the multilateral rules-based trading system.

⁸ The figures provided are current as of August 6, 2020, and may have since been revised.

Further, the Department led on amendments to Canada's legislation and regulations that were enacted in 2019 for the purpose of strengthening tools to address unfair trade. Finally, the Department contributed to the implementation of the [May 2019 Joint Statement](#) between the United States and Canada for the repeal of the United States' tariffs on Canadian steel and aluminum and of Canada's countermeasures on imports from the U.S.

In 2019-20, the Department led Canada's participation in negotiations on export credits at the OECD and at the International Working Group on Export Credits to promote a level playing field for Canadian exporters. The Department also led Canada's participation in meetings on debt issues at the Paris Club⁹ and at the World Bank Group.

The Department also actively contributed to the development of the policies of the international financial institutions (IFIs) of which the Minister of Finance is a Governor: the Asian Infrastructure Investment Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, and the World Bank Group, and was involved in the work of various committees, as well as meaningful engagement with other IFI shareholders during annual meetings and throughout the year.

Following Canada's G7 Presidency transition to France in 2019, the Department actively supported the participation of the Prime Minister, Minister of Finance, and Associate Deputy Minister in multilateral summits and meetings for both the G7 and the G20 in 2019-20. In support of commitments made by the G7 and the G20, the Department continued to actively participate in OECD-led discussions seeking a multilateral solution to address corporate tax issues relating to digitalization, including profit shifting by multinational enterprises. Canada was also influential on issues, including the international economic response to the COVID-19 pandemic, such as advocating for international financial institutions to mobilize the required resources to meet urgent financing needs of vulnerable countries, and supporting efforts to provide urgent humanitarian and development assistance to vulnerable countries;

The Department's achieved 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 maintained high-level engagement and strong collaborative relationships with domestic and international partners to succeed in fulfilling its commitments and delivering for Canadians. Over the course of 2019-20, the Department continued to strengthen its analytical capacity as a key to ensuring that the Minister and senior officials were equipped to make informed decisions.

⁹ The Paris Club is comprised of a group of officials from all major creditor countries (including Canada) and is mandated to explore coordinated and sustainable solutions to any payment difficulties experienced by debtor countries.

Gender-Based Analysis Plus (GBA+)

Over the course of 2019-20, the Department continued to advance the Government's commitment to fairness and equality through gender budgeting in support of its commitment to inclusive and sustainable economic growth. In line with this commitment, and consistent with the policy statement on gender budgeting as defined by the *Canadian Budgeting Act* enacted in late 2018, all budgetary and off-cycle proposals in 2019-20 continued to be informed by a Gender Based Analysis Plus (GBA+). This helped ensure that funding decisions were made with the understanding of how diverse groups of Canadians would be affected.

The Department conducted a review of the gender budgeting reporting components of Budget 2019, specifically the Gender Statement and the Gender Report. Feedback from these consultations was used to improve the Government's assessment and reporting processes regarding the gender and diversity implications of new funding proposals. For example, the GBA+ template for budget and off-cycle funding proposals was revised to provide additional clarity and the Guidance Manual was updated to further assist other government departments in completing the template to provide robust and accurate information to inform decision making on behalf of Canadians.

As per the reporting requirements outlined in the *Canadian Gender Budgeting Act*, the 2019 Economic and Fiscal Update included the GBA+ Summary following the Notice of Ways and Means Motion proposing to increase the Basic Personal Amount. In February 2020, the Department released the [*2020 Report on Federal Tax Expenditures – Concepts, Estimates and Evaluations*](#) which included a GBA+ analysis of the federal personal income tax system, focusing on tax expenditures with family components.

In the development of the COVID-19 Economic Response Plan, the Department took the gender and diversity implications of measures on different groups of Canadians into consideration. While COVID-19 and related public health measures have affected all Canadians in one way or another, the type, severity and extent of the impacts of COVID-19 vary considerably across social and demographic characteristics. As the COVID-19 crisis unfolds, the Department of Finance Canada will continue to ensure that funding proposals and decisions related to the Government's response are informed by GBA+ analysis.

In support of the Government's commitment to ensure inclusive outcomes for Canadians, the Department will continue to work towards integrating GBA+ in its programs, policies and initiatives.

Results achieved

Departmental results	Performance indicators	Target	Date to achieve target	2017–18 Actual results	2018–19 Actual results	2019–20 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	2019-20	Ranked 14 th among 36 OECD countries	Ranked 14 th among 36 OECD countries	Ranked 15 th among 37 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	2019-20	Ranked 13 th among 36 OECD countries	Ranked 13 th among 36 OECD countries	Ranked 13 th among 37 OECD countries
	1.3 Real disposable income across income groups ¹⁰	Growth is broad-based across income groups	2019-20	Bottom 20%: 2.3% growth Second 20%: 1.6% growth Middle 20%: 1.1% growth Fourth 20%: 0.6% growth Top 20%: 0.4% growth	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)	2019-20	Met	Met	Met
	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	2019-20	Met	Met	Data not available ¹¹
Canada has a fair and competitive tax system	3.1 Taxes on labour income	Lower than the G7 average	2019-20	Met	Met	Met
	3.2 Total business tax costs	Lower than the G7 average	2019-20	Data not available ¹²	Data not available ¹²	Data not available ¹²

¹⁰ 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.

¹¹ The Government of Canada did not release in Budget in 2020 due to the COVID-19 pandemic.

¹² This indicator was previously measured by KPMG in a biennial report that has since been discontinued. As a result, the Department will begin reporting the marginal effective tax rate (METR) on new business investments in the 2021-22 reporting cycle.

2019–20 Departmental Results Report

Departmental results	Performance indicators	Target	Date to achieve target	2017–18 Actual results	2018–19 Actual results	2019–20 Actual results
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%	2019-20	100%	100%	100%
	4.2 Ranking of Canada's financial sector in the World Economic Forum's Global Competitiveness report	Above the G7 average	2019-20	Above the G7 Average Canada: 5.44 G7 Average: 4.81	Above the G7 average ¹³ Canada: 86 G7 average: 83	Above the G7 average ¹³ Canada: 87 G7 average: 83
The Government of Canada's borrowing requirements are met at a low and stable cost to support effective management of the federal market debt on behalf of Canadians	5.1 Percentage of the Government's borrowing requirements met within the fiscal year	100%	2019-20	100%	100%	100%
	5.2 Canada's sovereign rating	Equal to or better than the G7 average	2019-20	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 frame)	2019-20	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)	2019-20	2 (mostly addressed)	Not applicable ¹⁴	Not applicable ¹⁴

¹³ 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.

¹⁴ 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 2019-20 will be included in the next three-year reporting period ending in fiscal year 2020-21.

2019–20 Departmental Results Report

Departmental results	Performance indicators	Target	Date to achieve target	2017–18 Actual results	2018–19 Actual results	2019–20 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's Economic Forum Global Trading Report	Best of G7 countries	2019-20	Data not yet available ¹⁵	Data not yet available ¹⁵	Data not available ¹⁵
	7.2 Percentage of the Department of Finance Canada's international assistance payments that are publicly reported on a monthly basis to support aid transparency	100%	2019-20	New indicator for 2018-19	Met	Met

Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
98,925,279,991	98,925,279,991	98,869,463,978	98,798,711,515	(126,568,476)

Human resources (full-time equivalents)

2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
576	558	(18)

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

¹⁵ The World Economic Forum Global Trading report 2016 is the latest version of this report. Consequently, results are unavailable for the 2017-18, 2018-19 and 2019-20 reporting periods. This indicator has been revised for the 2021-22 reporting cycle.

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 11 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 11 service categories are:

- ▶ Acquisition Management Services
- ▶ Communication 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
- ▶ Material Management Services
- ▶ Management and Oversight Services
- ▶ Real Property Management Services
- ▶ Security Services

Results

In 2019, the Department was designated as one of the National Capital Region's Top Employers and one of Canada's Top Employers for Young People, in part because of its commitment to the development of employees through learning initiatives, experiential learning and work assignments.

With respect to recruitment and talent management, the university recruitment and the economist development programs remain the flagship programs that attract and retain the Department's high-performing workforce. In 2019-20, the suite of learning and development programs remained under review, with a view of developing a departmental talent management strategy, to ensure that managing talent and promoting diversity are considered at every stage of employees' careers within the Department.

To promote a healthy work environment, the Department continued to offer Informal Conflict Management System services, providing employees with strategies to resolve and prevent workplace issues. In addition, branch wellness ambassadors continue to promote awareness and increase attention to wellness considerations in decision-making within the organization.

Modernizing information management and enabling digital collaborative workplaces, while enhancing the user experience and strengthening cybersecurity remained a priority for the Department in 2019-20. The Department continued to implement departmental and government-

wide solutions to modernize its information management and information technology tools to enhance business effectiveness, collaboration and mobility.

The onset of COVID-19 imposed unforeseen challenges on the Department and its operations in early 2020. Internal Services worked swiftly and efficiently to ensure that all employees were equipped to work from home and provided the tools necessary to facilitate the continued accomplishment of their work and important program delivery to Canadians.

Budgetary financial resources (dollars)

2019–20 Main Estimates	2019–20 Planned spending	2019–20 Total authorities available for use	2019–20 Actual spending (authorities used)	2019–20 Difference (Actual spending minus Planned spending)
39,594,484	39,594,484	44,657,843	43,969,170	4,374,686

Human resources (full-time equivalents)

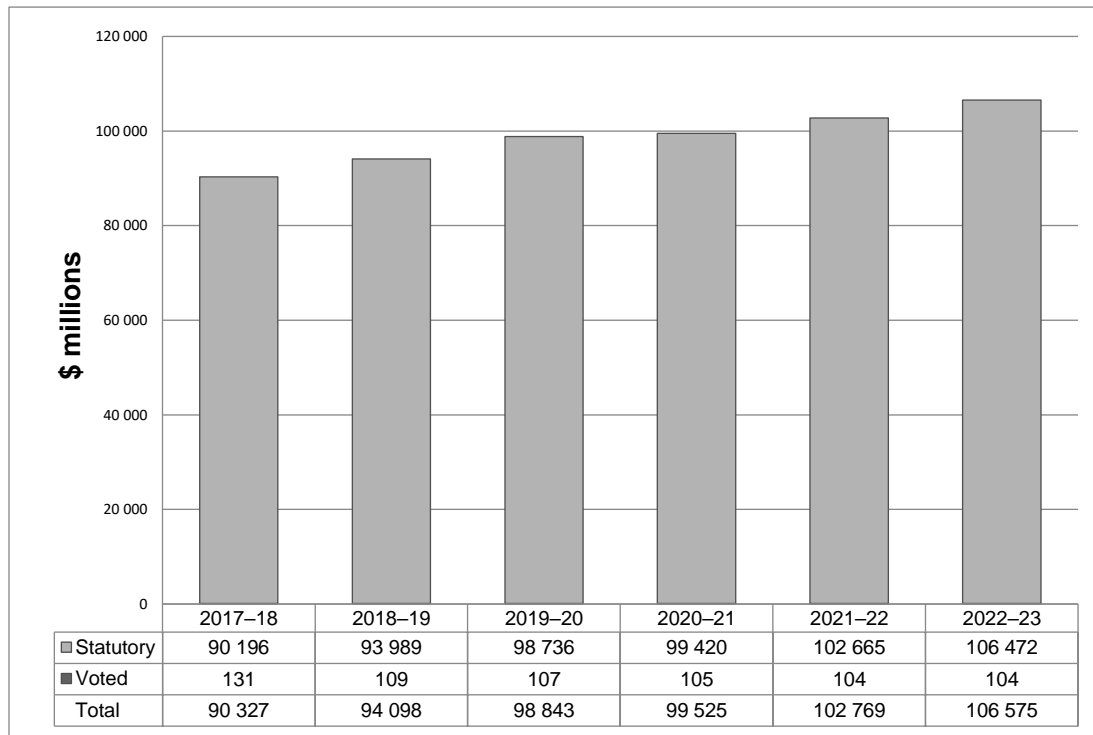
2019–20 Planned full-time equivalents	2019–20 Actual full-time equivalents	2019–20 Difference (Actual full-time equivalents minus Planned full-time equivalents)
233	286	53

Analysis of trends in spending and human resources

Actual expenditures

Departmental spending trend graph

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



In the graph above, the amounts from 2017-18 to 2019-20 represent actual expenditures, whereas the amounts from 2020-21 to 2022-23 represent planned expenditures as presented in the 2019-20 Departmental Plan.

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

Core responsibilities and Internal Services	2019–20 Main Estimates	2019–20 Planned spending	2020–21 Planned spending	2021–22 Planned spending	2019–20 Total authorities available for use	2017–18 Actual spending (authorities used)	2018–19 Actual spending (authorities used)	2019–20 Actual spending (authorities used)
Economic and Fiscal Policy	98,925,279,991	98,925,279,991	99,483,805,884	102,728,987,709	98,869,463,978	90,282,485,447	94,052,730,919	98,798,711,515
Budget Implementation vote – unallocated authorities	1,413,955	Not applicable	Not applicable	Not applicable	314,730	Not applicable	Not applicable	Not applicable
Subtotal	98,926,693,946	98,925,279,991	99,483,805,884	102,728,987,709	98,869,778,708	90,282,485,447	94,052,730,919	98,798,711,515
Internal Services	39,594,484	39,594,484	41,257,072	39,530,885	44,657,843	44,232,684	44,979,241	43,969,170
Total	98,966,288,430	98,964,874,475	99,525,062,956	102,768,518,594	98,914,436,551	90,326,718,131	94,097,710,160	98,842,680,685

Actual human resources

Human resources 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 Planned full-time equivalents	2019–20 Actual full-time equivalents	2020–21 Planned full-time equivalents	2021–22 Planned full-time equivalents
Economic and Fiscal Policy	515	548	576	558	582	581
Subtotal	515	548	576	558	582	581
Internal Services	254	262	233	286	249	237
Total	769	810	809	844	831	818

Expenditures by vote

For information on the Department of Finance Canada's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2019–2020](#).ⁱⁱ

Government of Canada spending and activities

Information on the alignment of the Department of Finance Canada's spending with the Government of Canada's spending and activities is available in [GC InfoBase](#).ⁱⁱⁱ

Financial statements and financial statements highlights

Financial statements

The Department of Finance Canada's financial statements (unaudited) for the year ended March 31, 2020, are available on the departmental website.

Financial statement highlights

Condensed Statement of Operations (unaudited) for the year ended March 31, 2020 (dollars)

Financial information	2019–20 Planned results	2019–20 Actual results	2018–19 Actual results	Difference (2019–20 Actual results minus 2019–20 Planned results)	Difference (2019–20 Actual results minus 2018–19 Actual results)
Total expenses	98,992,276,169	100,312,421,147	94,225,505,059	1,320,144,978	6,086,916,088
Total revenues	0	51	623	51	(572)
Net cost of operations before government funding and transfers	98,992,276,169	100,312,421,096	94,225,504,436	1,320,144,927	6,086,916,660

Condensed Statement of Financial Position (unaudited) as of March 31, 2020 (dollars)

Financial information	2019–20	2018–19	Difference (2019–20 minus 2018–19)
Total net liabilities	787,090,575,792	742,622,522,441	44,468,053,351
Total net financial assets	195,387,406,117	178,473,317,181	16,914,088,936
Departmental net debt	591,703,169,675	564,149,205,260	27,553,964,415
Total non-financial assets	10,857,410	11,869,292	(1,038,882)
Departmental net financial position	591,692,312,265	564,137,308,968	27,555,003,297

Additional information

Organizational profile

Appropriate ministers: The Honourable Chrystia Freeland, P.C., M.P.

The Honourable Mona Fortier, P.C., M.P.

Institutional head: Paul Rochon

Ministerial portfolio: Department of Finance

Enabling instruments: The Minister of Finance has direct responsibility for a number of Acts and is assigned specific fiscal and tax policy responsibilities relating to other acts that are under the responsibility of other ministers. 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 Acts*¹⁶ (under various titles)
- ▶ *Canada Deposit Insurance Corporation Act*
- ▶ *Canada Pension Plan*¹⁷
- ▶ *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*

¹⁶ The Minister of Finance is the responsible minister for all budget implementation acts although not expressly named as such in each Act.

¹⁷ 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 I)*
- ▶ *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: 1867¹⁸

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 Chrystia Freeland, 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](#)

¹⁸ 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 Departmental Results Framework and Program Inventory of record for 2019–20 are shown below:

Departmental Results Framework	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)	
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

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

Supplementary information tables

The following supplementary information tables are available on the Department of Finance Canada's website:

- ▶ [Departmental Sustainable Development Strategy](#)
- ▶ [Details on transfer payment programs of \\$5 million or more](#)
- ▶ [Gender-based analysis plus](#)

Federal tax expenditures

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

Organizational contact information

Department of Finance Canada
15th Floor
90 Elgin Street
Ottawa, Ontario K1A 0G5
Phone: 613-369-3710
Facsimile: 613-369-4065
TTY: 613-995-1455
Email: fin.publishing-publication.fin@canada.ca

Media enquiries

Phone: 613-360-4000

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

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

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

departmental priority (priorité ministériel)

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

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 quantitative measure of progress on a departmental result.

departmental results framework (cadre ministériel des résultats)

A framework that connects the department's core responsibilities to its 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.

experimentation (expérimentation)

The conducting of activities that seek to first explore, then test and compare the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and improve outcomes for Canadians, by learning what works, for whom and in what circumstances.

Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

fulltime equivalent (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. For a particular position, the fulltime equivalent figure is the ratio of number of hours the person actually works divided by the standard number of hours set out in the person's collective agreement.

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 2019–20 Departmental Results Report, those high-level themes outlining the government's agenda in the 2019 Speech from the Throne, namely: Fighting climate change; Strengthening the Middle Class; Walking the road of reconciliation; Keeping Canadians safe and healthy; and Positioning Canada for success in an uncertain world.

horizontal initiative (initiative horizontale)

An initiative where two or more federal organizations are given funding to pursue a shared outcome, often linked to a government priority.

nonbudgetary 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 to the expected result.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in 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 the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

result (résultat)

A 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.

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

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- ⁱ GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
 - ⁱⁱ Public Accounts of Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
 - ⁱⁱⁱ GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
 - ^{iv} GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
 - ^v Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>