

SELECT STANDING COMMITTEE ON FINANCE AND GOVERNMENT SERVICES

OCTOBER 2025

Budget submission

Fiscal years 2026/27 - 2028/29

OIPC Budget Submission

1. Staffing Overview

The OIPC had 59.5 FTEs working directly for the office in 2025/26; 4.0 of those FTEs are dedicated to the work of the Registrar of Lobbyists. Of the 59.5 FTEs, one FTE is a Schedule A position, and the remaining 58.5 are management classified positions.

The OIPC is one of three offices that receives ongoing support from Corporate Shared Services, Office of the Ombudsperson (CSS). Payments for this support come from STOB 85 and substantially covers the salary for the 29 staff in CSS.

2. Summary of the Budget Proposal

The following table summarizes the funding request:

Table 1: Overview of Budget Proposal – Fiscal 2026/27 (in $000s)

	Operating	Operating % change from 2025/26	Capital	Capital % change from 2025/26
Budget 2026/27 starting point	**11,773**		**117**	
Less: One-time costs approved in 2025/26	(68)	-0.58%	(19)	-16.24%
Annualization of previously-approved funding	11	0.09%		
Adjusted Budget 2026/27 starting point	**11,716**	**-0.49%**	**98**	**16.24%**
Wage-based inflation - Schedule A	31	0.26%	-	-
Wage-based inflation - Management Classification	315	2.68%	-	-
Wage-based inflation - Commissioner	10	0.08%	-	-
Non-wage inflation	42	0.36%	-	-
Subtotal (Inflation and adjustments)	**12,114**	**2.89%**	**98**	**-16.24%**
Critical support to core functions/existing operations	315	2.68%	4	3.42%
Capital Adjustments - (done annually)	-	-	(13)	-11.11%
Total Budget Request	**12,429**	**5.57%**	**89**	**-23.93%**

a) Key assumptions:

a. The OIPC's inflation funding request in 2025/26 was reduced by the Committee's funding decision from 4.2% to 2%. While steps are being taken to adjust for this, the OIPC cannot continue with this approach beyond 2025/26 without eroding the OIPC budget and impacting services to the public.

b. The OIPC provides a demand-driven service that supports individuals who are in dispute with both public bodies and the private sector. A fiscal climate of government spending reductions can ultimately have a greater adverse impact on individuals that use and rely on these legislated services. Impacted individuals then come to the OIPC to request an investigation of a complaint. The office cannot control this volume of complaints that come in and must be prepared to assist individuals who present and require assistance in a timely way.

c. The OIPC continuously improves its processes to find resource efficiencies, yet the increase in demand for services, including demands relating to new and emerging technologies, is outpacing gains that can be made from continuous improvements.

d. The OIPC continues to have its jurisdiction and decisions challenged in court by well-resourced organizations and is managing this on an ongoing basis. Similar to the *Lifelabs*[1] decision, significant cases are currently making their way through the courts.
The OIPC has an obligation to defend BC's access and privacy laws for the people of BC.

b) Significant changes

a. Artificial intelligence and other emerging technologies are developing and being widely adopted. While they offer significant potential to benefit public service delivery and BC's economy, our rapidly changing technological context creates significant challenges. For example, an August 2025 poll[2] of Canadians showed that 83% of Canadians have privacy concerns with the use of AI.

[1] https://www.oipc.bc.ca/documents/news-releases/2887
[2] https://leger360.com/views-on-artificial-intelligence/

b. People living in British Columbia are calling for trusted innovation with new technologies. This has emerged as a key theme in the Commissioner's listening tour and strategic planning: the public wants innovations for a strong economy and excellence in public service, but they need innovation that can be trusted.

c. As nearly all aspects of the lives of people living in British Columbia have moved into the digital realm, the OIPC is increasingly participating in large, technologically complex investigations for the public benefit.

d. Attracting investments in British Columbia, stimulating entrepreneurship, and supporting innovation in public services requires a modern and sophisticated regulatory framework, including a regulator with the capacity to respond quickly to projects proposed with emerging technologies. If we are unable to interpret how our legal framework applies to new technologies, produce clear guidance in a timely manner, and engage with organizations in the early stages of initiatives in a meaningful and supportive way, then investment will go elsewhere, and opportunities will be lost. At the same time, if organizations locally and globally proceed with innovations that use the personal information of people living in British Columbia in ways inconsistent with our laws and values, and the OIPC is unable to provide effective enforcement, then the people of the province will lose trust in the potential of emerging technologies.

c) <u>Steps taken to find savings and efficiencies</u>

The OIPC has reviewed prior years' expenditures and reallocated funding from underspent areas to cover areas we anticipate will have a higher spending rate (Cross reference Appendix A for greater detail) . This includes:

i. **Rent**: savings from a reduction in the fixed cost of the rent and avoiding increased costs in the OIPC physical footprint by sharing office space among hybrid workers. ii. **Amortization costs**: A detailed review of amortization costs allowed for a transfer of savings.

iii. **Contract expenditures**: Review of historic spending in contract expenditures. This eliminates a buffer that is in place to offset unexpected legal costs should they be incurred. Careful review and reduction of expenditures, such as subscriptions that can be managed through alternate means.

iv. **Systems costs**: A review of historic spending in systems costs identified savings.

b. Reduction of funding requested:

i. Two projects proposed under the IT Modernization project for the 2026/27 budget submission were eliminated. The work will either be deferred indefinitely or completed with reduced resources.

ii. No funding is requested for in-band increases at this time other than 2% inflation. It is uncertain that these costs can be funded through budget reallocations, yet we will make efforts to find efficiencies to meet these obligations in the budget year. Whether this is sustainable for subsequent fiscal years will be addressed in the 2027/28 budget request.

c. Changed internal processes to avoid an increase in costs:

i. Wherever possible, the OIPC completes work in-house with existing resources vs going to external vendors for assistance – for example, technical changes to the Case Management System, as a significant portion of this work is completed in house vs going to the vendor whenever possible.

ii. The OIPC engaged in continuous improvement of services through review and streamlining of operations, including process workflows for complaints and requests for reviews, and in finding efficiencies in administrative processes such as human resources and performance management.

d) Budget increases over prior years

a. Increases in operating costs relate to the following items:

a) Wage inflation – There are two components to this which are both the result of the recent tentative agreement reached by the BCGEU that will see a 3% lift per year for four years. First, there is a 1% budget request for the impact in the 2026/27 fiscal year from a 3% lift anticipated for the BCGEU collective agreement in 2025/26, when the funding provided was only 2%. Second, a 3% lift for 2026/27 is included in the budget submission for the fiscal years 2026/27 to 2028/29.

b) **Non-wage inflation** – a factor of 2% was also applied to expenditures that have an increase in unit costs.

c) **Critical support for core functions/existing operations** – The Emerging Information and Privacy Technologies team will provide office-wide, cross-functional support and expertise on files and investigations, and internal oversight of the use of emerging technologies within the OIPC, to enhance efficiencies and improve service to the public. Led by a Director of Emerging Information and Privacy Technologies, the team will ultimately consist of a senior policy analyst, a senior investigator, and a legal counsel, each hired for their specialized knowledge in emerging technologies.

The OIPC's strategic plan has identified supporting trusted innovation and assisting organizations and public bodies in navigating the privacy challenges associated with changing technologies as a key priority through 2027/28, based on feedback from consultations around BC and the files before the office. Technologies such as genomics, agentic AI, quantum computing, complex surveillance systems, and digital health tools are developing at a rapid pace, and the associated privacy challenges pose risks to all of us if these technologies are not implemented in a way that protects the privacy rights of individuals.

Meanwhile opportunities to avail of these technologies will be lost if regulatory uncertainty means that projects are stalled, cancelled or proceed in other jurisdictions. OIPC's counterparts in other jurisdictions domestically and internationally are investing in similar capacity. Regulators in jurisdictions which have ambitions to be at the forefront of emerging technologies are not just

enforcement bodies but essential components of the strategic regulatory infrastructure.

At the same time, the OIPC recognizes there are opportunities to incorporate emerging technologies into our own workflows and in service delivery to the public. Every public body has an obligation to explore how emerging technologies can increase their efficiency and effectiveness to deliver their mandates. Moreover, the OIPC cannot purport to regulate emerging technologies if it is not able to directly engage them and, in doing so, build necessary expertise. Performing this work with internal expertise, versus outsourcing to an external contractor, will result in cost savings and retain knowledge that can be used for files and investigations. In short, this team would be an operational team working on the frontlines of emerging technology.

The request includes 1.75 FTEs in fiscal 2026/27 and an additional 1.25 FTEs in 2027/28. Anticipated funding for investigations into the use of AI and technology in matters of privacy and security, and for leveraging emerging technologies to enhance efficiencies within the office, have identified a total of four positions to complete this work, one of which will be re-allocated from within the existing staff complement. There is no further opportunity to reallocate existing human resources or salary funding because, while progress has been made within the past year, timelines for key OIPC services are at the outer limits of acceptability. At the same time, demand for our services has continued to increase. Any reduction in the human resources complement engaged in this work would exacerbate these timelines. A focused strategic approach to continuous improvement is required to keep pace with this growing demand.

The OIPC has spread out the full request for 3 FTEs (to establish this critical oversight function) across two fiscal years to reduce the financial impact.

b. The budget request for Capital has decreased – within the Corporate Shared Services model, each office takes turns purchasing equipment required to maintain the IT infrastructure. For fiscal 2026/27 the need for the OIPC to contribute funding has decreased from the prior year. The equipment that needs replacing is identified in a 5year cycle and will fluctuate from year to year for each office. This keeps the data center running effectively and significantly reduces the risk of failure that can be caused by using older equipment in production.

3. STOB Analysis of Budget Proposal (required)

<u>Changes in Salary Costs (STOBs 50 – 54)</u>

There are five factors that contribute to this increase:

a) Wage inflation of 1% for the impact in 2026/27 from a 3% lift anticipated for the BCGEU collective agreement in 2025/26, where the funding provided was only 2% (+$85,000).

b) Wage inflation of 3% for fiscal years 2026/27 to 2028/29, in alignment with the anticipated BCGEU collective agreement (+$261,000).

c) Wage inflation of 2% for the Officer in fiscal years 2026/27 to 2028/29, based on the BC Consumer Price Index as per the Judicial Compensation Committee funding formula in the April 2023 report (+$10,000).

d) Addition of critical support for core functions/existing operations, increase of 1.75 FTEs (STOBS 50, 52, 63,65 and 73) – see above explanations in section 2 (+$315,000).

e) Funding from cost-neutral efficiency adjustments has been reallocated to salaries and benefits from areas with other savings – see Appendix A (+$116,000).

No funding is requested for in-band increases at this time other than wage inflation noted above. It is uncertain that these costs can be funded through budget reallocations, yet the OIPC will make efforts to find efficiencies to meet these obligations in the budget year. Whether this is sustainable for subsequent fiscal years will be addressed in the 2027/28 budget request.

STOB 52 employee benefits for the statutory officer are 26% of the benefits of the salary cost in STOB 54 or $108,000.

Changes in Operating Costs (STOB 57 - 75)

There are four factors that contribute to the net reduction in operating costs:

a) Non-wage inflation of 2% is estimated for expenses with increased unit costs, based on the BC Consumer Price Index (+$42,000).

b) Information systems costs were reduced for one-time IT modernization amounts approved in 2025/26 (-$68,000).

c) Annualized funding is requested for ongoing IT modernization costs previously approved in 2025/26 (+$11,000).

d) Efficiency adjustments in office and business expenses, amortization, and building occupancy costs have been reallocated to cover pressures in other areas (-$116,000).

4. STOB Analysis of Previous Year's Actuals (if applicable)

A detailed explanation is available in the supplemental budget tables. Overall, the office managed its operational budget to within three percent of the budget. The largest variance was due to settlement closure of pending court cases that resulted in significant savings in STOB 60 contracted costs, with the most significant being the dismissal of the *Lifelabs*[3] appeal in Ontario.

[3] https://www.oipc.bc.ca/documents/news-releases/2887

Appendix A – Summary of Cost Neutral Efficiency Adjustments Included in this Request (STOB realignment)

STOB Description	Efficiency Adjustments	Notes
50 – Base Salaries	$58,000	4
51 – Supplementary Salary Costs (Maternity/Parental leave)	$45,000	4
52 – Employee Benefits	$3,000	2, 4
54 – Legislative Salaries and Indemnities	$10,000	4
Total Salaries and Benefits	**$116,000**	
55 – Boards, Commissions, & Courts	-	
57 – Public Servant Travel	-	
60 – Professional Services	-	
63 – Information Systems - Operating	$74,000	1, 3
65 – Office and Business Expenses	($14,000)	1
67 – Informational Advertising and Publications	-	
68 – Statutory Advertising and Publications	$7,000	4
69 – Utilities, Materials and Supplies	-	
70 – Operating Equipment and Vehicles	$15,000	2
73 – Amortization	($59,000)	3
75 – Building Occupancy Costs	($139,000)	4
85 – Other Expenses (CSS Costs)	-	
Total Operating Costs	**($116,000)**	
Total Operating Expenditures	**-**	

Notes

1. $14,000 in office and business expenses has been reallocated from STOB 65 to cover pressures in STOB 63. Spending on training and general office supplies will continue to be managed down to facilitate the reallocation of funds to other cost pressures.
2. $15,000 has been reallocated from STOB 52 to STOB 70 to reflect the Commissioner's vehicle lease costs under the Executive Vehicle program. This budget was previously held in STOB 52 as the former Commissioner opted to receive a vehicle allowance in lieu of a leased vehicle.
3. $59,000 in amortization has been reallocated from STOB 73 to cover pressures in STOB 63. The decrease in amortization is due to older assets being fully expensed.
4. $139,000 in building occupancy costs have been reallocated from STOB 75 to cover pressures in STOBs 50-54 and 68. Lower occupancy costs are expected in 2026/27 following the renegotiation of the lease for office space.