

Premier's Estimates

2023

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Action on Food Security

RECOMMENDED RESPONSE:

- In its simplest terms, food security means having access to an uninterrupted supply of nutritious food at an affordable price.

- For a long time, food security has been something that most of us have taken for granted. But that is changing. We've seen how COVID-19 and the climate-related disasters of recent years have threatened our supply-chains. And the reverberations of COVID, climate impacts across North America, and the war in Ukraine are all contributing to the highest level of food inflation in over 40 years.

- In response, the Government of British Columbia is making unprecedent investments to improve all aspects of our food security. This reflects both the current challenges of increasing grocery bills today but also the knowledge that the impacts of climate change that are already impacting our food system are expected to worsen.

- Here are just a few of the investments we are making:
    - The Ministry of Agriculture and Food is focused on ensuring farmers and food processors remain profitable and resilient so that they can better support food security in BC with a $154.6 million investment, including a $30 million initiative on increasing Indigenous food security and $20 million for a Food Processing Growth Fund that will make B.C. more productive and economically competitive.
    - The Ministry of Social Development and Poverty Reduction is tackling systemic barriers and poverty related food access with $66 million in new investments in food banks and community access programs.
    - And the Ministry of Education and Child Care is working to ensure kids in BC from K to 12 have access to healthy and nutritious meals with a $214 million investment in the Feeding Futures school food program.

- Our government has also secured a 5-year $470 million investment for B.C. farmers from the federal-provincial Sustainable Canadian Agricultural Partnership – the key national initiative for securing our food supply. Under the renewed agreement, there is a 25% increase for strategic initiatives that will go to programs that support climate resilience and food security

- Food security is a complex issue – we are price-takers in a global context and the province has limited tools to directly influence the prices on grocery shelves. But what we can do is help children and the most vulnerable access good food, and improve the climate resilience and competitiveness of our local food producers.

BACKGROUND:

- *Food inflation is at its highest level in over 40 years* – from Feb 2022-2023, food inflation in B.C. was 9.8% (overall inflation was 6.2%).
    - *Why?* Continued reverberations of COVID-19 supply-chain disruptions, the Russian invasion of Ukraine, labour shortages, climate change-related extreme weather in Canada and the U.S., higher input costs for producers on fertilizer and higher labour costs across supply-chains.
    - *Where does it hurt the most?* Bakery and cereal products (+14.4%), vegetables (+14.1%), fruit (+11.8%), dairy and eggs (+11.6%) and meat (9.5%).
    - *Will it let up?* The University of Dalhousie Agri-Food Analytics Lab projects that even as overall inflation will shrink, national food inflation will continue to increase by 5-7% in 2023.

- *Food insecurity is worsening in B.C.* – Statistics Canada found food insecurity increased from 11.9% of B.C. households in 2019 to 14.6% in 2021 to 16.8% in 2022. Food Banks Canada reports that food bank use in B.C. increased 25% from 2021 to 2022.

- *B.C.'s food system is highly vulnerable to disasters and climate impacts* – as the 2021 atmospheric river event demonstrated, B.C.'s geography creates natural vulnerabilities to communities being cut-off by damage to transportation infrastructure. While Metro Vancouver and Victoria had weeks of supplies, communities east of Hope experienced bare grocery store shelves within the days of the event. And many rural and remote communities don't have grocery stores and can't go shopping if roads are not open.

- *Imports dominate grocery shelves* – B.C. is far from self-sufficient. According to a recent Metro Vancouver study, only 34% of food consumed in B.C. was produced locally. Local producers struggle to be competitive against the U.S. and Mexico. Reliance on imports exposes B.C.'s food system to the even more severe climate risks in those regions.

- *Cumulative impacts on natural systems further threaten food security* – whether salmon runs at such a low level that many First Nations are pausing traditional harvesting in their territories, to avian influenza becoming endemic in wild birds and leading to the worst outbreaks in B.C. egg and poultry operations ever seen, to a severe drought projected for 2022 further imperiling B.C. farmers' access to water.

- *Government is currently developing strategies to tackle food security challenges* – notably this includes the *Food Security Framework*, the *Emergency Preparedness for Food Security Strategy* and a refreshed *Poverty Reduction Plan*. Key priorities reflected from stakeholder and Indigenous engagement include strengthening food supply-chain resilience, supporting Indigenous food security, supporting farmers to increase food production and embracing more dignified food access programs.

CROSS JURISDICTIONAL COMPARISON:

- The food security challenges being faced by British Columbia are common national and global issues, particularly in terms of inflation impacts from COVID and the war in Ukraine.

- Food inflation in British Columbia is on par with national food inflation but the increases in food bank use and food insecurity are slightly higher than nationally.

YEAR-END PROGRAM EXPENDITURE:

- *Ministry of Agriculture and Food ($153.4M)*
    - Indigenous Food Sovereignty Program ($30M)
    - Fraser Valley Flood Mitigation Program ($20M)
    - Agricultural Irrigation Infrastructure Program ($20M)
    - Accelerate Work on Agricultural Land Use Inventory ($0.5M)
    - Climate Ready B.C. Seafood Initiative ($2M)
    - Farm Animal Disease Response Fund ($5M)
    - Food Affordability & Innovation Fund ($20M)
    - Food Security Emergency Planning & Preparedness Fund ($20M)
    - Food Processing Growth Fund ($20M)
    - Perennial Crop Renewal Program ($15M)
    - Richmond Food Hub ($1M)
    - Tree Fruit Marketing Program ($1M)
- *Ministry of Education and Childcare – Feeding Futures School Food Program ($214M)*
- *Ministry of Social Development and Poverty Reduction ($66.25M)*
    - UWBC – Inflation response and expansion of food hubs ($7.5M)
    - Food Banks BC – Inflation response, recovery & capacity building ($15M)
    - UWBC – Critical Food Infrastructure Fund ($14M)
    - Britannia Community Services Centre – DTES Food Access ($0.080M)
    - Cloverdale Community Kitchen – Infrastructure Supports ($0.044M)
    - Fateh Care Charity – Mobile Food Bank ($0.07M)
    - Loaves and Fishes Warehouse ($7M)
    - LIFT Impact Partners Society ($0.806M)
    - Victoria Foundation ($1.3M)
    - Langley Meals on Wheels ($0.350M)
    - Support Network for Indigenous Women and Women of Colour ($0.3M)
    - Immigrant Link Centre Society ($0.3M)
    - First Nations Summit – First Nations Wellbeing Fund ($15M)

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Climate Resilience/Emergency Preparedness Strategy for Food Security Mandate Letter

RECOMMENDED RESPONSE:

- Our government is working hard to improve the preparedness and climate resilience of the food systems that British Columbians depend on.
- In the past year, the Ministry of Agriculture and Food (the Ministry) launched an Extreme Weather Preparedness for Agriculture Program and we also built out a dedicated emergency management team to play a more active role in preparing for and responding to disasters impacting agriculture. This group has been actively supporting the egg and poultry sector during the avian influenza outbreak that is still ongoing.
- I am pleased that Premier Eby has tasked us with a mandate to develop an Emergency Preparedness for Food Security Strategy in coordination with the Ministry of Emergency Management and Climate Readiness (EMCR).
    - This reflects calls from producers, local governments, First Nations and British Columbians to do more to reduce the risks to our food system.
    - This work is at an early stage but will build upon the ongoing work of the Ministry to support producers in understanding climate risks and providing them with resources to prepare for floods, wildfires and other hazards.
    - It will also align with work already underway across government such as the modernization of the *Emergency Programs Act*, the Provincial Flood Strategy and the Climate Preparedness and Adaptation Strategy.

BACKGROUND:

- In Canada, emergency management is led by local emergency programs in coordination with senior governments' emergency management agencies – in B.C., Ministry of Emergency Management and Climate Readiness (EMCR). Agriculture ministries play a support role in preparedness and response efforts specific to agricultural producers.
- The Ministry of Agriculture and Food has a long history of providing emergency preparedness and climate adaption supports for agricultural producers and supporting emergency responses impacting the sector (e.g., by mobilizing staff in emergencies).
    - This includes programs critical to animal welfare in emergencies, such as premises identification, disease surveillance and biosecurity programs.
    - See: "Climate and Environment: On-farm Funding" and "Climate and Environment: Extension" for more detailed estimates notes on climate readiness-related cost-share programs and extension supports.
- Further actions in line with the Emergency Preparedness and Food Security Strategy mandate direction are under development. Ministry staff are working closely with

- The ministry is also developing a *Regenerative Agriculture and Agritech Framework* that prioritizes climate action and focuses on regenerative agricultural practices and technology (see Estimates Note *Regenerative Agriculture and Agritech Strategy*).

CROSS JURISDICTIONAL COMPARISON:

- Similar to B.C.'s Roadmap to 2030, the Government of Canada's 2030 Emissions Reduction Plan outlines a sector-by-sector path for Canada to reach its emissions reduction target of 40 percent below 2005 levels by 2030 and net-zero emissions by 2050.
- To work effectively with farmers, AF is also considering linkages with Canada's on-farm funding programs (On-Farm Climate Action Fund) and on-farm research (Living Labs), both aimed at supporting GHG reductions and carbon sequestration on farms.

PROGRAM EXPENDITURE / REVENUE IMPLICATION:

- In FY 2022/23 up to $3.4M was allocated to on-farm projects that reduce GHG emissions and increase carbon sequestration, such as management of riparian habitats or native range, and on-farm energy efficiency improvements (see Estimates Note *Climate and Environment: On-Farm Funding*).
- An additional $1.5 M was invested in research, tool development, and other preliminary activities to support future programming for beneficial management practices to reduce greenhouse gases and sequester carbon.

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2023/24 ESTIMATES NOTE

Last updated Date: March 21, 2023

CONDUCT OF BAIL HEARINGS (INDICTABLE MATTERS)

KEY MESSAGES:

- In February 2017, the Alberta Court of Queen's Bench determined that there is no legal authority for police officers to conduct bail hearings in indictable matters, including hybrid offences where the Crown has not yet elected whether to process indictably or summarily (In the *Matter of Hearing Office Bail Hearings (Re)*, 2017 ABQB 74).
- At the time of the Alberta court ruling, police conducted most of the initial bail hearings that occurred outside of regular court sitting hours in BC. Understanding and accepting that this was legally insupportable, and inconsistent with practice in most of the rest of the country, BC Prosecution Service (BCPS) worked with the court to implement a weekend and statutory holiday Crown-led bail program.
- The Attorney General issued a Directive to the BCPS April 4, 2022, to implement a Comprehensive Bail Program by the end of the 2022 calendar year.
- The BCPS Comprehensive Bail Program (CBP) has three components:

  1) <u>Weekend Bail</u>
  - Crown Counsel assumed conduct of all weekend bail hearings, starting in November 2018.
  - Five weekend bail hub locations operate in Vancouver, Surrey, Victoria, Kelowna, and Prince George. Current staffing requirements for weekends are seven Crown Counsel and thirteen Legal Assistants (total of 20 FTEs). Total base funding received for weekend bail is $3.289 million.

  2) <u>Evening Bail</u>
  - An evening bail program has been in place in the Vancouver/Coastal Region for many years. On March 28, 2022, evening bail expanded to the North Region, and on September 26, 2022, to the Interior, on January 9, 2023, to the Island, and March 13, 2023, to the Fraser Region.
  - Funding of $1.851 million and 14 FTEs has been provided in Fiscal Year 23/24 to operate a province-wide evening bail program.

  3) <u>Virtual Weekday Bail</u>
  - Implementation of the daytime weekday program is as follows: Northern pilot (April 2021); Interior (April 25, 2022); Island (January 9, 2023). The Provincial Court wishes to have all phases of the CBP implemented by June 2023.

  - The date of expansion to the Vancouver and Fraser Regions has not yet been determined.

- Standardized processes and remote hearings should reduce prisoner movement, enhance the provision of legal services in remote locations, and provide scheduling flexibility in all venues, including the Lower Mainland. These changes contribute to creating a more resilient justice system that can better respond to closures or delays due to extreme events, including those related to weather, pandemics, or infrastructure outages that could otherwise disrupt the bail process.

FINANCES:

- The base budget allocation for the Weekend bail program is $3.289 million and 20 FTEs.
- The BCPS fiscal 2023/24 base budget for Evening bail is $1.851 million and 14 FTEs.
- The Ministry of Attorney General has been provided $2.045 million for virtual bail in Fiscal 23/24 and $2.806 million for Fiscal 24/25.
- BCPS resource requirements for Daytime Virtual Bail will be determined as the program nears implementation completion.

BACKGROUND:

- BCPS and its justice partners developed a new process of after-hours charge approval and bail hearings in response to the Alberta judgment. The Court has incorporated some of its elements in the daytime virtual bail program in response to the pandemic.

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BC Prosecution Service – When Crown prosecutors will seek detention in violence cases with outstanding breach charges.

Discretion is an essential feature at all stages of the criminal justice system. The system would likely grind to a halt without the ability of justice system participants, police, Crown Counsel, defence counsel, and the courts, to exercise principled decision-making in the conduct of their cases.

For example, police have broad discretion to release people they arrest, with or without conditions. It is worth noting that in some cases of alleged violence, it has been the police who released the suspects, not the Crown.

The fact is that, in carrying out their roles as ministers of justice, Crown Counsel must and do regularly exercise prosecutorial discretion. The cases they deal with, even cases of alleged violence, can range from the most serious and severe to the relatively inconsequential. The need for efficient and effective decision making, given the daily volume of files involved in the criminal justice system and the wide variety of issues that can arise within the context of each prosecution, necessitate considerable latitude on the part of the prosecutor.

Crown Counsel must regularly make independent and discretionary decisions in order for the justice system to operate fairly and effectively. Discretion ensures that the individual circumstances of each case appropriately inform the prosecutor's decision making. Discretion gives Crown Counsel the flexibility to make principled decisions that are tailored to each case, and which reasonably balance the individual and societal aspects of the public interest. Requiring Crown Counsel to seek detention in every case would serve to remove all discretion from prosecutors. They would be foreclosed from making choices unique to the circumstances of individual cases, which would introduce arbitrariness into the application of the criminal law. Without discretion, each accused and each case would be treated exactly the same, despite the presence of compelling differences. The courts rely on Crown Counsel to exercise independent judgment and discretion on bail and to consent to reasonable bail terms whenever that is appropriate. If Crown Counsel simply sought detention as a blanket policy in every case without regard to the circumstances, they would be in breach of the law and their submissions would disregarded by the presiding judges. The net result would likely be fewer, not more, detention orders.

It has never been the law or the practice in British Columbia or any other province in Canada to require Crown Counsel to apply a blanket policy of seeking detention in every case. This is true despite the fact that crime and violence have always existed and that, at times, on many credible and objective measures, the crime rate, including the rate of violent crime, has been higher than it is in British Columbia today.

Every day in this province Crown Counsel seek the detention of accused persons when it is legally necessary or appropriate to do so. At the same time, having due regard to all the

circumstances and the governing law, prosecutors, exercising sound professional judgment, regularly determine that it would be appropriate to consent to an accused person's release. In making these decisions, Crown Counsel must and do consider factors like the accused person's criminal record, the use of violence and its relative severity, the commission of other offences while on bail, and concerns around public safety. In carrying out these functions in this way, Crown Counsel are doing exactly what the law and the constitution require of them.

This discretion must be exercised within a legal framework established by legislation and the case law that interprets the legislation. In the case of decisions involving bail, the legislation is the Criminal Code of Canada. The Criminal Code requires police and judges to exercise a "principle of restraint" and give primary consideration to releasing the accused at the earliest opportunity, on the least onerous conditions with which they can reasonably comply. The Supreme Court of Canada has emphasized the importance of this principle of restraint, stating that "the release of accused persons is the cardinal rule and detention, the exception". In deciding whether to seek detention or conditions on the release of an accused until trial, Crown Counsel must also consider and apply the "principle of restraint" in all bail matters.

In addition the Crown Counsel Policy Manual provides both general and situation-specific guidance to Crown Counsel in the exercise of their discretion, including on fundamental prosecution considerations such as whether to seek the detention of an accused person or consent to their release upon appropriate conditions. This guidance is set out in the Crown Counsel policy on bail, recently revised following a directive from the Attorney General. BAI 1 can be found here. The policy instructs Crown Counsel that, *"When a repeat violent offender is charged with an offence against the person or an offence involving a weapon, Crown Counsel must seek their detention unless they are satisfied, having regard to all the circumstances, that the risk to public safety posed by the accused's release can be reduced to an acceptable level by bail conditions."*

How AG Sharma answered similar questions in Estimates:

First of all, Crown counsel has the independent discretion to assess the facts of each case. Now, the facts of each case would be so variable that independent assessment is crucial to whether or not to seek detention. For example, in some of the categories that the member suggested, it could be an Indigenous person that was hunting that has a gun violation and then a breach of some curfew, or something that the Crown counsel, when assessing the charges, would not seek detention in that category. That discretion is so crucial to the administration of justice. I will say also that they are tasked, along with judges, to apply the law. What we've said is that what's really needed is amendments to the Criminal Code in order to address repeat violent offenders. I will also add that when the Crown counsel has decided to seek detention, it's after that assessment where they've determined on the facts of each case, which will vary, that the public interest is at stake or the public confidence in the justice system is at stake, along with looking at one of the strictest bail policies that we've put in place after the directive. It's clear to us that changes are needed at the Criminal Code level.

BRITISH COLUMBIA | Prosecution Service

Memorandum

Independent, Effective & Fair

May 3, 2023

To: Peter Juk KC

From: Michael Fortino

Re: Attorney General Update – Repeat Violent Offending Intervention Initiative (ReVOII)

Further to my update March 24, 2023, I write to provide additional information on the development and implementation of the Repeat Violent Offending Intervention Initiative (ReVOII). Since that time, BCPS ReVOII development processes have substantially completed, protocols have been established, Crown Counsel and Professional Staff have been assigned to the program and have undergone training, and the respective Regional ReVOII Prosecution Teams are now ready to receive files relating to Prioritized Individuals from police agencies and BC Corrections for charge assessment and prosecution.

The following work has occurred, or is ongoing since my last update:

1. **Crown Counsel and Professional Staff Assignments / Organization**

The *Safer Communities Action Plan* provided contingency funding for the assignment of 21 Crown Counsel and 21 BC Prosecution Service Professional Staff to ReVOII. The BCPS has assigned dedicated Crown Counsel and Professional Staff to manage and conduct the initiative. These personnel are posted at Headquarters, the High Risk Offender Identification Program (HROIP), and to each of the five Regional ReVOII Prosecution Teams.

Our headquarters staff will have broad structural supervision and coordination of the program within the BCPS and will continue to liaise with BC Corrections and Police Agencies, along with other stakeholders as ReVOII becomes increasingly operational throughout the province.

Professional Staff assigned to HROIP will be responsible for updating JUSTIN and the maintenance of a central SharePoint site that is accessible to all Crown Counsel within the BCPS, along with professional staff working in our regional bail programs. Security Concern

Security Concern

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Security Concern

The five Regional ReVOII Prosecution Teams will provide independent criminal law advice and prosecutorial services to local police agencies and to each of the 12 BC Corrections led Community Hubs that began operating on May 1, 2023. These Crown Counsel and Professional Staff will be responsible for the key day-to-day operations of ReVOII within the BCPS.

Importantly, I am pleased to report that the teams we have assembled throughout the province include some very experienced Crown Counsel and Professional Staff who are eager to participate in this new initiative and help to make it as successful as possible.

The structure we have developed to implement ReVOII improves the quality of information legally available to Crown Counsel, supports a coordinated approach to case management with BC Corrections and police agencies and preserves constitutional principles of prosecutorial independence and respect for the rule of law.

2. Development of ReVOII Protocols

Government Financial Information; Security

Government Financial Information; Security Concern

Government Financial Information; Security Concern

3. Training Government Financial Information; Security Concern

Government Financial Information; Security Concern

5. Continued Stakeholder Engagement

Stakeholder engagement as it pertains to ReVOII is ongoing. To date, the BCPS has met with the following justice stakeholders independently or with BC Corrections to provide information about the program:

Legal Aid BC – BCPS and BC Corrections has met with Legal Aid BC on two occasions. An information primer has been provided to Legal Aid BC for distribution to the entire tariff bar (lawyers who practice primarily on legal aid files), as well as other criminal defence organizations including the Association of Legal Aid Lawyers and the Criminal Defence Advocacy Society. Government Financial Information; Security Concern

Government Financial Information; Security Concern

Public Prosecution Service of Canada Government Financial Information; Security Concern

Government Financial Information; Security Concern

BC First Nations Justice Council – Members of the BCPS and BC Corrections, along with the Indigenous Justice Secretariat recently met to continue discussions about ReVOII, and particularly to receive an update on the status of the BCFNJC's Indigenous Justice Centres and advance discussions about the provision of *Gladue* information to Crown Counsel. A further meeting is anticipated for June 2023. The Indigenous Justice Centres have been identified as a key stakeholder that will likely be able to provide culturally appropriate interventions for Prioritized Individuals.

Métis Nation BC – An initial introductory meeting lead by BC Corrections occurred with a representative of the Métis Nation BC on ReVOII. Further discussions will be scheduled by BC Corrections.

6. ReVOII Implementation Update

As of May 1, 2023, the 12 BC Corrections led ReVOII Community Hubs became operational. BCPS Regional Prosecution Teams are in place in each region and ready to receive files relating to individuals who are designated by these hubs for charge assessment and prosecution.

A. Hub Committee Meetings

I am aware that Hub Committee meetings are being scheduled by BC Corrections throughout the province. The table below outlines the status of those meetings as of today:

Hub Location	Date
Victoria	May 16, 2023
Nanaimo	May 17, 2023
Vancouver	TBD
Surrey	May 8, 2023
New Westminster	TBD
Abbotsford	May 23, 2023
Kamloops	TBD
Kelowna	May 9, 2023
Cranbrook	May 18, 2023
Williams Lake	TBD
Prince George	May 9, 2023
Terrace	May 17, 2023

Government Financial Information; Security Concern

7. Outstanding Risk to the Program

In my last update, I highlighted a realistic risk to ReVOII's success that currently presents itself – the limited resources available for mental health, addictions, housing, and culturally appropriate interventions and supports.

Since my last report, I have been informed of significant resource constraints on the Forensic Psychiatric Hospital. Crown Counsel throughout the BCPS have provided me examples where the Hospital has been unable to comply with the necessary timelines for court ordered assessments because of the shortage of assessment beds at the Hospital and/or the shortage of psychiatrists to conduct the assessments. In many cases the Hospital seeks an extension of upwards of 30 days for the necessary assessments to be completed. Government Financial Information; Security Concern
Government Financial Information; Security Concern

I raise this risk again and provide these examples in hopes that continued advocacy may occur to encourage timely support for, development, and implementation of the other pillars of the *Safer Communities Action Plan*. As mentioned in my previous update, "for ReVOII to succeed, enhanced case management is a necessity. Police, Crown Counsel, and Corrections staff must be able to connect Prioritized Individuals with the necessary and available resources to help intervene in their criminality, and not just move them onto waitlists for over-subscribed services. Prioritizing public safety is a key component of ReVOII, however, this cannot be achieved without the necessary resources to further offenders' rehabilitation and eventual safe reintegration into the community."

Conclusion

I have followed announcements made by other provinces as they attempt to tackle the pressing issue of repeat violent offenders (Ontario, Alberta, and Manitoba in particular). Each province seems to have taken a different approach and the announced models appear to be enforcement focused.

I believe that the robust enhanced case management program British Columbia has been able to develop in a relatively short period of time strikes a better, more appropriate balance. It appropriately prioritizes public safety through enhanced case management and enforcement by BC Corrections and police agencies while also improving the quality and quantity of offender specific information available to prosecutors, and thus the courts. It does not eschew rehabilitation for incarceration but seeks to target the underlying causes of criminality to the best extent the criminal justice system can. If the individual does not want to participate in their case management, that information will be more easily available to the court at the time of bail and sentencing so that it can inform any analysis about the risk the offender poses to the public as well as their rehabilitation prospects.

As ReVOII has now become operational, I will provide further updates upon request, or otherwise when notable developments make that appropriate. Please do not hesitate to reach out if you require anything further. If the Attorney would like a meeting to better acquaint her with any of the work the BCPS has done since November 2022, I am more than happy to attend such a meeting.



Michael Fortino
A/Deputy Director, Special Justice Programs
BC Prosecution Service

BRITISH COLUMBIA | Prosecution Service

Media Statement

April 24, 2023 23-08

BC Prosecution Service releases preliminary bail data

Victoria – The BC Prosecution Service (BCPS) today released preliminary results of data about bail hearings collected during seven weeks in late 2022 and early 2023. The data shows:

- Crown Counsel sought restrictive conditions on the release of the accused in roughly three quarters of the bail hearings they conducted (from a low of 70% to a high of 79%)
- Crown Counsel sought pre-trial detention of the accused in roughly one quarter of the bail hearings they conducted (from a low of 21% to a high of 30%)
- Judges ordered pre-trial detention of the accused in less than half the bail hearings in which Crown Counsel sought pre-trial detention (from a low of 30% to a high of 47%)
- Judges ordered pre-trial detention of the accused in about one tenth of all bail hearings overall (from a low of 7% to a high of 14%)
- Crown Counsel sought pre-trial detention in roughly half the bail hearings they conducted for crimes of violence with an accused who was also on bail on other outstanding matters (from a low of 42% to a high of 61%)
- Judges ordered pre-trial detention in roughly a quarter of all bail hearings involving crimes of violence with an accused who was also on bail on other outstanding matters (from a low of 16% to a high of 35%)

Data was collected during the two weeks before and the three weeks after November 22, 2023, when the BCPS implemented a revised Bail – Adults (BAI 1) policy. Two more weeks' worth of data were collected in February and March of this year.

The revised BAI 1 policy, implemented in response to a directive issued by the Attorney General, requires Crown Counsel to seek the pre-trial detention of repeat violent offenders unless Crown Counsel are satisfied, having regard to all the circumstances, that the risk to public safety posed by the accused's release can be reduced to an acceptable level by bail conditions.

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Due to the relatively small size of the current data sample and the limited periods covered, no clear conclusions can be drawn about whether the directive and the resulting policy changes had a measurable impact on the bail process or the outcomes of bail hearings. It would be unreasonable to assume that a BCPS policy change alone could produce any particular outcome at a bail hearing. This is true for several reasons:

- The law of bail is established by the federal Parliament under the *Criminal Code* and only Parliament can change that law
- Changes to the BCPS bail policy do not change the governing federal law
- In applying the BCPS bail policy to any particular case, Crown Counsel are still bound by the governing federal law under the *Criminal Code*
- Under the *Criminal Code* Crown Counsel have no legal authority to release or detain any accused person
- Under the *Criminal Code* the police do have authority to release a person they arrest, with or without conditions (the BCPS data does not reveal how frequently that occurs)
- If the police do not release them, an arrested person must be brought before a judge for a bail hearing
- Crown Counsel may make submissions to a judge at a bail hearing seeking the pre-trial detention of an accused person on specific legal grounds (i.e., where detention is necessary to ensure their attendance in court, for the protection or safety of the public, or to maintain confidence in the administration of justice) but only the judge can order the pre-trial detention of an accused person
- In making their decisions judges must apply the governing federal law under the *Criminal Code* and are not bound by the BCPS bail policy
- Every accused person is presumed to be innocent and has a constitutional right to reasonable bail
- Every case is unique and the particular facts of the case necessarily affect the outcome in every bail hearing

Summaries of the preliminary results of the manually collected bail data are attached to this Media Statement.

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To learn more about BC's criminal justice system, visit the British Columbia Prosecution Service website at: gov.bc.ca/prosecutionservice or follow @bcprosecution on Twitter.

BC Prosecution Service - Preliminary Bail Data - Weeks 1 to 5 and 6 to 7
Preliminary Results for Manually Collected Data

	2022 Nov7-Dec11					2023 Feb27-Mar12	
Measure	**Week 1** Nov7-13	**Week 2** Nov14-20	**Week 3**[15] Nov21-27	**Week 4** Nov28-Dec4	**Week 5** Dec5-11	**Week 6** Feb27-Mar5	**Week 7** Mar6-12
# BAIL HEARINGS[1,2]	375	404	410	428	344	383	381
# Accused files dealt with[3]	660	715	766	742	572	683	720
Avg # Accused files per hearing	1.8	1.8	1.9	1.7	1.7	1.8	1.9
# Hearings - accused identified as Indigenous[5]	82	84	77	64	65	72	76
# Hearings - at least one of the accused files dealt with a breach[6]	128	123	128	131	109	111	96
# Hearings - at least one of the accused files dealt with an outstanding warrant[7]	213	245	280	256	223	235	235
# Hearings - at least one of the accused files dealt with a violent offence[8]	192	210	210	224	180	179	180
# Hearings - at least one of the accused files dealt with an intimate partner violence matter[9]	116	106	91	114	83	98	105
# Hearings - Crown sought restrictive bail conditions but not a detention order[10]	286	297	287	317	273	300	298
# Hearings - Crown sought a detention order[11]	89	107	123	111	71	83	83
# Hearings - detention order was granted[13]	42	45	58	45	29	32	25
% Hearings - accused identified as Indigenous	*22%*	*21%*	*19%*	*15%*	*19%*	*19%*	*20%*
% Hearings - at least one of the accused files dealt with a breach	*34%*	*30%*	*31%*	*31%*	*32%*	*29%*	*25%*
% Hearings - at least one of the accused files dealt with an outstanding warrant	*57%*	*61%*	*68%*	*60%*	*65%*	*61%*	*62%*
% Hearings - at least one of the accused files dealt with a violent offence	*51%*	*52%*	*51%*	*52%*	*52%*	*47%*	*47%*
% Hearings - at least one of the accused files dealt with an intimate partner violence (IPV) matter	*31%*	*26%*	*22%*	*27%*	*24%*	*26%*	*28%*
% Hearings - Crown sought restrictive bail conditions but not a detention order	*76%*	*74%*	*70%*	*74%*	*79%*	*78%*	*78%*
% Hearings - Crown sought a detention order	*24%*	*26%*	*30%*	*26%*	*21%*	*22%*	*22%*
% Hearings - detention order was granted - as proportion of all bail hearings	*11%*	*11%*	*14%*	*11%*	*8%*	*8%*	*7%*
% Hearings - detention order was granted - as proprotion of bail hearings where Crown sought detention	*47%*	*42%*	*47%*	*41%*	*41%*	*39%*	*30%*

Data Source: Manual data collection by staff of BC Prosecution Service (BCPS) to capture data not readily available in the province's criminal case tracking system (JUSTIN).

Notes:

1. Data is for in-custody accused bail hearings on BC Prosecution Files only - Federal Prosecution files excluded.
2. Number of in-custody accused bail hearings. A bail hearing was recorded once for each substantive bail appearance per accused per day. It was recorded only for a completed bail process, once the judicial interim release decision was rendered. Out-of-custody applications relating to bail (including the vacating of warrants) and routine consent remands were excluded.
3. Number of accused files dealt with since an in-custody accused bail hearing could deal with one or more accused files.
4. For each in-custody accused bail hearing, data captured key information for all accused files dealt with at the hearing. If an accused had multiple files, criteria such as accused Indigenous status, presence of a violent offence, etc., was recorded if any of their files met that particular criteria. For example, if an accused had 3 files dealt with at a bail hearing and at least one of their files was for a violent matter, and at least one of their files included a breach (even if they are different files), then staff would record "yes" against each of those criteria.
5. Accused bail hearing where the accused self identifies as Indigenous.
6. Accused bail haring where at least one of the accused's files relates to a file(s) being added to a bail hearing where the accused is on bail on an (other) outstanding matter(s) which is back before the court pursuant to section 524.
7. Accused bail hearing where at least one of the accused's files had an outstanding warrant(s) at the time of arrest.
8. Accused bail hearing where at least one of the accused's files includes an offence involving violence or a weapon (in the broad s. 2 definition). This includes any offence where violence is used, threatened, or attempted.
9. Accused bail hearing where at least one of the accused's files involves an intimate partner violence matter.
10. Number of in-custody accused bail hearings where the Crown sought strict conditions. This could include conditions to protect public safety by restricting an accused's contact or movement, but excludes outright detention.
11. Number of in-custody accused bail hearings where the Crown sought detention.
12. The total number of hearings in #10 and #11 above equals the total number of bail hearings reported in this table.
13. The number of detention orders granted reflects judicial decisions at a bail hearing to order an accused to be detained in custody.
14. November 4, 2023 - BCPS Crown Counsel directed to manually tracking data on in-custody accused bail hearings for a five week period starting November 7, 2023.
15. November 22, 2023 - BCPS implemented a revised Bail – Adults (BAI 1) policy.

BC Prosecution Service - Preliminary Bail Data - Weeks 1 to 5 and 6 to 7

Preliminary Results for Manually Collected Data - Violent Offence, Breach and Outstanding Warrant Files

		2022 Nov7-Dec11					2023 Feb27-Mar12	
Measure	**Measure**	**Week 1** Nov7-13	**Week 2** Nov14-20	**Week 3**[9] Nov21-27	**Week 4** Nov28-Dec4	**Week 5** Dec5-11	**Week 6** Feb27-Mar5	**Week 7** Mar6-12
At least one of the accused files dealt with a violent offence[4]	# Bail Hearings[1,2,3]	192	210	210	224	180	179	180
	# Hearings - Crown sought a detention order	56	66	74	72	49	52	50
	# Hearings - detention order was granted	25	27	35	30	17	21	15
	% Hearings - Crown sought a detention order[7]	*29%*	*31%*	*35%*	*32%*	*27%*	*29%*	*28%*
	% Hearings - detention order was granted[8]	*13%*	*13%*	*17%*	*13%*	*9%*	*12%*	*8%*
At least one of the accused files dealt with a breach[5]	# Bail Hearings	128	123	128	131	109	111	96
	# Hearings - Crown sought a detention order	48	54	63	57	41	46	34
	# Hearings - detention order was granted	22	24	34	23	19	21	15
	% Hearings - Crown sought a detention order	*38%*	*44%*	*49%*	*44%*	*38%*	*41%*	*35%*
	% Hearings - detention order was granted	*17%*	*20%*	*27%*	*18%*	*17%*	*19%*	*16%*
At least one of the accused files dealt with an outstanding warrant[6]	# Bail Hearings	213	245	280	256	223	235	235
	# Hearings - Crown sought a detention order	41	56	63	53	32	42	43
	# Hearings - detention order was granted	13	27	31	19	10	15	18
	% Hearings - Crown sought a detention order	*19%*	*23%*	*23%*	*21%*	*14%*	*18%*	*18%*
	% Hearings - detention order was granted	*6%*	*11%*	*11%*	*7%*	*4%*	*6%*	*8%*
At least one file dealt with a violent offence AND at least one file dealt with a breach	# Bail Hearings	69	68	62	69	56	55	46
	# Hearings - Crown sought a detention order	29	34	38	39	30	30	22
	# Hearings - detention order was granted	11	12	22	17	12	15	9
	% Hearings - Crown sought a detention order	*42%*	*50%*	*61%*	*57%*	*54%*	*55%*	*48%*
	% Hearings - detention order was granted	*16%*	*18%*	*35%*	*25%*	*21%*	*27%*	*20%*
At least one file dealt with a violent offence AND at least one file dealt with an outstanding warrant	# Bail Hearings	81	107	115	113	102	93	86
	# Hearings - Crown sought a detention order	21	37	32	34	23	22	23
	# Hearings - detention order was granted	6	17	16	12	7	10	9
	% Hearings - Crown sought a detention order	*26%*	*35%*	*28%*	*30%*	*23%*	*24%*	*27%*
	% Hearings - detention order was granted	*7%*	*16%*	*14%*	*11%*	*7%*	*11%*	*10%*
At least one file dealt with a violent offence AND at least one file dealt with a breach AND at least one file dealt with an outstanding warrant	# Bail Hearings	24	37	34	38	29	24	17
	# Hearings - Crown sought a detention order	9	19	19	21	17	11	6
	# Hearings - detention order was granted	1	8	12	8	6	7	4
	% Hearings - Crown sought a detention order	*38%*	*51%*	*56%*	*55%*	*59%*	*46%*	*35%*
	% Hearings - detention order was granted	*4%*	*22%*	*35%*	*21%*	*21%*	*29%*	*24%*

Data Source: Manual data collection by staff of BC Prosecution Service (BCPS) to capture data not readily available in the province's criminal case tracking system (JUSTIN).

Notes:

1. Data is for in-custody accused bail hearings on BC Prosecution Files only - Federal Prosecution files excluded.
2. Number of in-custody accused bail hearings. A bail hearing was recorded once for each substantive bail appearance per accused per day. It was recorded only for a completed bail process, once the judicial interim release decision was rendered. Out-of-custody applications relating to bail (including the vacating of warrants) and routine consent remands were excluded.
3. For each in-custody accused bail hearing, data captured key information for all accused files dealt with at the hearing. If an accused had multiple files, criteria such as presence of a violent offence, etc., was recorded if any of their files met that particular criteria. For example, if an accused had 3 files dealt with at a bail hearing and at least one of their files was for a violent matter, and at least one of their files included a breach (even if they are different files), then staff would record "yes" against each of those criteria.
4. Accused bail hearing where at least one of the accused's files includes an offence involving violence or a weapon (in the broad s. 2 definition). This includes any offence where violence is used, threatened, or attempted.
5. Accused bail hearing where at least one of the accused's files relates to a file(s) being added to a bail hearing where the accused is on bail on an (other) outstanding matter(s)
6. Accused bail hearing where at least one of the accused's files had an outstanding warrant(s) at the time of arrest.
7. Number of in-custody accused bail hearings where the Crown sought detention.
8. The number of detention orders granted reflects judicial decisions at a bail hearing to order an accused to be detained in custody.
9. November 22, 2023 - BCPS implemented a revised Bail – Adults (BAI 1) policy.

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2023/24 ESTIMATES NOTE

VIRTUAL BAIL INITIATIVE

Last updated: March 16, 2023

KEY MESSAGES:

- A modern, accessible, and efficient court system requires new approaches along with the use of advanced technology.
- Significant efforts and investments have been made in hardware and infrastructure to enhance the quality and efficiency of virtual proceedings across the justice system.
- The Virtual Bail Initiative aims to reduce community displacement and expand video access to accused for bail hearings and conversations with counsel, improve communication and information sharing between all involved stakeholders across the justice sector, and enhance the overall efficiency of the bail process, ultimately improving access to justice.
- The Virtual Bail Initiative has advanced long-term bail reform plans, in addition to providing an immediate response to the COVID-19 pandemic. It has also included the implementation of Crown-led weekday evening bail, and the modernization of video-conferencing technology.
- Funding of $3 million for the expansion of virtual bail was announced November 20, 2022, in the Safer Communities Action Plan. "To support timely, effective bail hearings that will protect the public and meet constitutional obligations, the Province is investing more than $3 million per year to expand virtual bail hearings throughout B.C."
- To date, through collaboration across the justice sector, standardized virtual bail processes have been implemented in the North, Interior and Island regions for daytime as well as Crown-led evening bail.
- The standardized process implemented in these three regions allows for resource sharing across regions, supports consistent service delivery in the event of staffing and/or hiring shortages, and improves the ability to recruit for key positions supporting virtual bail across the justice sector through the virtual nature of the work.
- The Virtual Bail Initiative has resulted in a more resilient justice system that can better respond to closures or delays due to extreme events including those related to weather, pandemics, or infrastructure outages that could otherwise disrupt the bail process.

FINANCES:

- Funding has been approved for the North, Interior and Island Regions, supporting resourcing and technology installations.

Estimated Operating Costs ($M)	Fiscal 22/23	Fiscal 23/24	Fiscal 24/25
Northern Region	1.943	1.943	1.943
Interior and Island Regions	2.045	2.806	2.806

BACKGROUND:

- While many courts across the country continue to struggle with higher case volumes than pre-COVID, the BC Provincial Court has managed to address delays through many different innovations, resulting in BC experiencing approximately the same times to trial now as pre-COVID benchmarks. The success of the pandemic recovery response means that BC does not need to provide significant additional funding to address a backlog, something faced by Ontario and other provinces.
- In the North, Island, and Interior Regions, the virtual bail model includes the following:
    - Consistent cut-off times, which also support Crown-led weekday evening bail and integrate with the weekend bail program;
    - Justice sector partner triage meetings in the morning and afternoon to coordinate and schedule timing of appearances;
    - Scheduling of remanded matters in the morning and new-in-custody matters in the afternoon;
    - Regional MS Teams channels for document and information sharing, as well as for instant messaging and video calls between justice sector partners;
    - Dedicated bail "Quarterback"/Coordinator positions for Sheriff, Crown Counsel, JCM, and Registry staff; and
    - Installation of video-conferencing devices to increase video appearances (instead of audio-only/telephone) by accused people.
- In rural and remote communities, accused will appear virtually from RCMP detachments, reducing what may have previously been significant time in custody and long-distance transportation for the purpose of a bail hearing, only for the accused to be released far from home with no means of returning.
- In larger communities with full-time court sitting five days per week, accused will appear virtually from sheriff cellblocks in courthouses.
- Work is underway to determine the model for Vancouver Coastal and Fraser Regions.

Contact: Zac Kremler, A/Executive Director, Justice Services Branch	Government Financial Information

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2023/24 ESTIMATES NOTE

Last updated: March 27, 2023

ANTI-RACISM LEGISLATION

KEY MESSAGES:

- Everyone deserves fair and equitable access to programs and services they need to live a good life.
- Systemic racism and colonial biases have shaped the development and delivery of programs and services for generations, and this continues to hurt Indigenous, Black and other racialized peoples throughout B.C. To identify and address racism at a systemic level, government has committed to a whole-of-government approach by introducing two pieces of anti-racism legislation:

  1) Anti-racism data legislation (ARDA) paves the way to safely collect, use and disclose race-based data to help identify systemic racism in programs and services across government.

  2) A broader anti-racism legislation Advice/Recommentations; Cabinet Confidences will move beyond identification and require government to act to address systemic racism across government.

- By mandate letter, the B.C. Attorney General, Honourable Niki Sharma and Parliamentary Secretary for Anti-Racism Initiatives, Mable Elmore, are mandated to:
  - Work with community partners, including B.C.'s Human Rights Commissioner, to develop and pass an Anti-Racism Act to better serve everyone in B.C
- The B.C. Human Rights Commissioner's report on incidents of hate during the pandemic was published on March 7, 2023 and findings from this reports will also inform the Province's approach to dismantling systemic racism.
- As the Province moves forward with the public co-development and engagement on the broader anti-racism legislation, a distinctions-based engagement process with Indigenous partners is under way. Ministry staff have met with staff from Métis Nation BC, Modern Treaty Nations and BC Association of Aboriginal Friendship Centres. Legislation co-development sessions are underway with First Nations rights holders, First Nations Leadership Council, BC Alliance of Modern Treaties and Urban Indigenous groups.

FINANCES:

- The external engagement consultation plan for the anti-racism legislation is a continuation of the extensive community led engagement from the ARDA.
- The anti-racism legislation has an engagement budget of Government Financial
- The engagement approach will leverage previously acquired data from the ARDA engagement process as well as the use of the recently approved Interim Approach.

STATISTICS:

- Thirty-six per cent of British Columbians and 51 per cent of Metro Vancouver residents self-identified as a visible minority or Indigenous in 2016 (Census 2016).

- In Canada, between 2019 and 2020, the number of police-reported crimes motivated by race or ethnicity increased 80%, from 884 (45% of total hate crimes) to 1,619 (61% of total hate crimes), accounting for most of the national increase in hate crimes. Much of the rise in targeting race or ethnicity between 2019-2020 was the result of crimes targeting:
    - East or Southeast Asian populations (+202 incidents or +301%)
    - Indigenous populations (+44 incidents or +152%)
    - Black populations (+318 incidents or +92%)
    - South Asian populations (+38 incidents or +47%)
- Between 2019 and 2020, race or ethnicity related incidents in B.C. increased by 122% (from 161 incidents to 357 incidents), while those related to religion and sexual orientation did not change substantially.
- The Vancouver Police Department reported that in Vancouver, anti-Asian hate crime rose by 717% from 2019 (12 incidents) to 2020 (98 incidents).

BACKGROUND:

- Enacted in 2017, Ontario's *Anti-Racism Act* primarily focused on data collection for anti-racism purposes, initiated the creation of Ontario's Anti-Racism strategy and established an Anti-Racism Directorate.
- On March 24, 2022, Nova Scotia introduced the *Dismantling Racism and Hate Act*, which moves beyond anti-racism to focus on systemic hate, equity, and racism.
- On March 29, 2022, the Federal government launched national consultations for Canada's first ever National Action Plan on Combatting Hate. Findings from the national consultations may influence the province's anti-racism legislation.
- The Province of BC has several initiatives underway across government to address racism such as amendments to the *Police Act* targeted for completion in 2026, ongoing actions by the "In Plain Sight" Report task team addressing Indigenous specific racism in healthcare and, the recent release of a provincial K-12 Anti-Racism in Education Action Plan in January 2023.
- Anti-racism legislation will formalize the obligations of public bodies already doing Anti-Racism work and eventually require all public bodies to develop plans to address systemic racism in their organizations.

Cabinet Confidences

Contact: Haiqa Cheema, ADM, Multiculturalism and Anti-Racism	Government Financial Information

Confidential

2023/24 ESTIMATES NOTE

ANTI-ASIAN RACISM

Last updated: March 27, 2023

KEY MESSAGES:

- Canada has seen a rise in anti-Asian racism during COVID-19, with a dramatic increase in violent attacks and harassment toward Asian communities and those who appear to be Asian in British Columbia.
- Everyone has the right to live without the fear of violence and any form of discrimination, yet racist hate has a long history in B.C. and still exists today.
- B.C. is committed to supporting communities to address racism and hate by providing them with direct funding support.
- The Province is proud of all the positive contributions Asian Canadians have made and continue to make. We commit to stand with them against racism.
- Provincial programs and initiatives such as the Resilience BC Anti-Racism Network, our Multiculturalism and Anti-Racism Grants Program, and our annual awards ceremony support communities in their critical work to address racism and champion their success.
- By mandate letter, the B.C. Attorney General, Honourable Niki Sharma and Parliamentary Secretary for Anti-Racism Initiatives, Mable Elmore, are mandated to:
    - Work with community partners, including B.C.'s Human Rights Commissioner, to develop and pass an Anti-Racism Act to better serve everyone in B.C
    - Work with community partners to create an anti-Asian racism strategy.
    - Work with the Japanese Canadian Legacies Society to deliver the Province's redress initiatives that honour the legacy of Japanese Canadians in B.C.
    - Support the Minister of Tourism, Arts, Culture and Sport in consultation with affected communities to advance emerging museum programs and proposals, including the Chinese Canadian museum, a South Asian museum, and a provincial Filipino cultural centre.
- The B.C. Human Rights Commissioner's report on incidents of hate during the pandemic was published on March 7, 2023 and findings from this reports will also inform the Province's approach to dismantling systemic racism.
- In the Spring of 2022 the Province introduced B.C's first Anti-Racism Data Act to identify systemic barriers faced by Indigenous, Black and people of colour when accessing government programs and services so they can be addressed.
- As the Province moves forward with the public co-development and engagement on the broader anti-racism legislation, consultation with Asian Canadian British Columbians is planned through an engagement questionnaire, virtual townhall sessions, and in community focus groups.

- Other anti-racism initiatives include a province-wide anti-racism awareness campaign; proclaiming Anti-Racism Awareness Week in May; developing an anti-racism action plan for kindergarten to Grade 12; and developing a multilingual racist-incident hotline for British Columbians to report racist incidents and receive support and referrals.

FINANCES:

Government Financial Information

- 4.5 FTEs support this through Resilience BC, Multiculturalism Grants program, and Historical initiatives (National Association of Japanese Canadians).

STATISTICS:

- Police-reported hate crimes in B.C. have been trending upwards since 2017, with a rate of 5.2 to 10.1 per 100,000 population in 2020, the highest increase across Canada, according to Statistics Canada.
- According to data from the Vancouver Police Department, there were 204 hate incidents or crimes reported in the city from March 2020 to December 15, 2022: 98 in 2020, 62 in 2021, and 44 in 2022.
- In Richmond, police recorded 46 hate crimes and incidents in 2021, up from 34 in 2020; 67 per cent were related to racial discrimination, and of the people targeted, 61 per cent were Asian.
- According to a report published in 2022 by the Chinese Canadian National Council Toronto Chapter and Project 1907, there is a continued and concerning rise in anti-Asian racism and xenophobia across Canada, with reports by South Asian and Southeast Asian people increasing dramatically from 2020 to 2021, by 318 per cent and 121 per cent, respectively.
- Prior to COVID-19, Statistics Canada estimated that two-thirds of all hate crimes and racist incidents go unreported to police, partly due to mistrust of the police by some Indigenous, racialized and faith communities, and a lack of public awareness about rights and protective laws related to racism and hate.

BACKGROUND:

- A report published by B.C.'s Office of the Human Right's Commissioner in March 2023 confirmed hate-related incidents rose exponentially during the first years of the COVID-19 pandemic and the rise in anti-Asian hate was found to be "particularly acute".
- The Resilience BC Anti Racism Network has a centralized "Hub" that anchors the program and provides support to 34 "Spoke organizations" to lead anti-racism and anti-hate work at local and regional levels deliver service in 40 communities.

- In 2021, The Hua Foundation received Government as part of the Anti-Racism Restart and Recovery Initiatives under Stronger BC, to serve as the Resilience BC Community Convener addressing Anti-Asian Racism. Their report and community catalogue was released in the Fall of 2022.
- The Resilience BC Anti-Racism Network website was also launched in May 2021 with resources, multilingual information for victims and bystanders of hate incidents, and videos available in 13 languages including Chinese, Japanese, Vietnamese, Korean, Tagalog, Punjabi, and Hindi. The videos for the website were made in partnership with the Vancouver Asian Film Festival (VAFF).

- Sixty organizations are set to receive Multiculturalism and Anti-Racism Grants of up to $5,000 to support community-based projects annually that promote multiculturalism and address racism. Of the sixty, over half self identify as BIPOC led agencies, with at least eight of these organizations addressing anti-Asian racism through their projects.

Contact: Haiqa Cheema, Assistant Deputy Minister, Multiculturalism and Anti-Racism Branch	Government Financial Information

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2023/24 ESTIMATES NOTE

ANTI-BLACK RACISM

Last updated: March 23, 2023

KEY MESSAGES:

- The Province greatly values the history, contributions, and accomplishments of Black communities in B.C.
- Unfortunately, Black British Columbians continue to face disproportionate barriers and are overrepresented in the criminal justice system because of systemic racism.
- An Anti-Black Racism Strategy will be developed after the introduction of the Anti-Racism Act in Spring 2024.
- Programs and initiatives such as the Resilience BC Anti-Racism Network, Multiculturalism and Anti-Racism Grants Program, Proclamations Program, and the annual Multiculturalism and Anti-Racism Awards ceremony support communities in their critical work to address racism and champion their success.
- Under the Resilience BC Framework, we funded the Black in British Columbia (BC) Convener pilot project. As part of the Convener role, The African Arts and Cultural Community Contributor Society (AACCCS) led a community assessment process of the performance of our government and provided their findings and recommendations through their report called *Black in BC*.
- The Ministry is also addressing systemic racism and introduced the Anti-Racism Data Act in 2022 and continue to work towards an anti-racism act that is Advice/Recommentations; Cabinet Confidences

Advice/Recommentations; Cabinet Confidences

FINANCES:

- The Ministry has $0.540 million to support Resilience BC programming and $0.300 million for the Multiculturalism and Anti-Racism Grants program in FY2023/24.
- 4.5 FTEs support this through Resilience BC, Multiculturalism Grants program, historical wrongs initiatives (International Decade for People of African Descent).

STATISTICS:

- Statistics Canada's report shows that the number of police-reported hate crimes targeting race or ethnicity almost doubled (+80 per cent) in 2020 – the result of more crimes targeting the Black population at +318 incidents – making the Black population the most commonly targeted group overall for 2020.

- The 2016 population census recorded 43,500 Black people in B.C., representing one per cent of the provincial population in 2016 and almost four per cent of the Black population in Canada. The Black population continues to grow in BC. Between 1996 and 2016, the population almost doubled in size. (Statistics Canada, 2019)
- The number of people of African ancestry in the province is likely higher when considering those of mixed heritage or those who identify differently within the 40,465 individuals identifying as visible minorities.

BACKGROUND:

- In 2021, Parliamentary Secretary Rachna Singh hosted a series of 10 community meetings with community members and Ministers on themes ranging from education, justice and community safety, health, arts and culture, employment, migration, and housing.
    - Members of Black communities in B.C. provided recommendations to address long-standing and emerging issues of systemic racism.
- In December 2022, one of Parliamentary Secretary Mable Elmore's mandate items is to work with community partners to create an anti-black racism strategy in recognition of the International Decade for the People of African Descent.
- The Resilience BC Anti-Racism Network has a centralized "Hub" that anchors the program and provides support to 35 "Spoke" organizations who provide service to 40 communities which lead anti-racism and anti-hate work at local and regional levels.
    - There are at least 5 Spoke agencies who are working to directly address anti-Black racism in both urban and rural communities including Kelowna, Ridge Meadows, Cowichan Valley, New Westminster and Vancouver.
    - In 2021, the African Art and Cultural Community Contributor Society (AACCCS) received a $0.100 million grant from the Province as the Resilience BC Community Convener on anti-Black racism.
        - In February 2022, AACCCS released its *Black in BC Report* that identifies the needs of Black British Columbians. The Province is reviewing the findings and recommendations from this report to inform further action.
- The Ministry has taken steps to recognize and celebrate Black histories and excellence in B.C. by proclaiming August 1, 2021, as Emancipation Day for the first time in B.C.'s history to mark the date on which slavery was abolished across Canada in 1834, proclaiming Black Excellence Day on January 14, 2022, and has been celebrating Black History Month for several years.

Contact: Haiqa Cheema, Assistant Deputy Minister, Multiculturalism and Anti-Racism Branch	Government Financial Information

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2023/24 ESTIMATES NOTE — *ANTI-RACISM DATA ACT*

Last updated: March 27, 2023

KEY MESSAGES:

- On May 2, 2022, government introduced the *Anti-Racism Data Act* to identify systemic barriers faced by Indigenous, Black and people of colour when accessing government programs and services so they can be addressed.
- The Act became law on June 2, 2022.
- The Ministry of Attorney General and the Ministry of Citizens' Services worked collaboratively to develop the legislation. The legislation was informed by the thoughts of more than 13,000 British Columbians through engagement with Indigenous Peoples and racialized communities, as well as key partners, such as the B.C. Human Rights Commissioner, First Nations Leadership Council, the BC Association of Aboriginal Friendship Centres and Métis Nation BC. It is one of the first pieces of legislation to be co-developed with Indigenous Peoples under the Declaration on the Rights of Indigenous Peoples Act.
- The Act focuses on four key areas:
    1) Continued collaboration with Indigenous Peoples in a way that recognizes the unique identity of First Nations and Métis communities in B.C.
    2) Working with racialized communities in implementing the legislation. This includes the creation of a provincial anti-racism data committee to collaborate with government on how data is collected and used.
    3) Increasing transparency and accountability while preventing and reducing harms to Indigenous Peoples and racialized communities.
    4) Requiring government to release data on an annual basis, and to periodically review the act.
- The Province is currently moving forward with the public co-development and engagement o broader anti-racism legislation to be introduced in 2024. Consultation with Indigenous Peoples, Black and people of colour is taking place in the Spring/Summer 2023.

FINANCES:

- All current work is being done within existing ministry resources.

BACKGROUND:

- In June 2020, Premier Horgan requested that the Office of the Human Rights Commissioner (OHRC) provide guidance, advice, and recommendations for action on intersectional disaggregated data.
- In the Fall of 2020, the OHRC released a report titled, "Disaggregated demographic data collection in British Columbia: The grandmother perspective," and Dr. Turpel-Lafond released a report entitled, "In plain sight: Addressing Indigenous-specific racism and discrimination in B.C. health care." Both reports call for the Province to collect demographic data to identify systemic racism, deliver more equitable services, and uphold people's rights.
- Cabinet Confidences; Government Financial Information

- Between April 2021 and March 2022, citizens were invited to engage in the discussion through three engagement streams:
    1) Indigenous engagement
    2) Community-led engagement
    3) Online public survey
- An Indigenous engagement specialist (Quintessential Research Group), BC Association of Aboriginal Friendship Centres (BCAAFC), and Métis Nation British Columbia (MNBC) each received funding to lead sessions directly with Indigenous community members and individual First Nations.
    - The province also worked directly with Indigenous leadership organizations — including the First Nations Leadership Council (FNLC), BCAAFC and MNBC. Information about the legislation was also presented at various stages to First Nations chiefs at the general assemblies of the BC Assembly of First Nations, First Nations Summit and Union of BC Indian Chiefs.
- Community-led engagement - Almost 70 organizations across the province hosted engagement sessions from November 2021 to the end of January 2022, holding 425 meetings – both in person and virtual, and reaching approximately 10,000 people. Former PS Singh met with Indigenous, Black, and people of colour (IBPOC) community groups for more targeted feedback.
- Online public survey - An online anonymous EngageBC survey in multiple languages ran from September 2021 to January 2022 to collect perspectives from the public with over 2,800 responses.
- Cabinet Confidences; Government Financial Information

- On September 23, 2022, the Province announced the 11 members, including the chair, of the Anti-Racism Data Committee. Committee members represent a wide cross-section of racialized communities and geographic regions of B.C.
- The committee's goals are to ensure:
  - Implementation of the *Anti-Racism Data Act* is informed by the lived experience and expertise of racialized people.
  - Their work aligns with the broader goal of the legislation to identify and eliminate racism in government programs, policies, and services and to advance racial equity.
  - Continued connection and collaboration with racialized communities.
- The committee will collaborate with the Province on a number of initiatives to help identify and eliminate systemic racism in the public sector, including:
  - Data directives, to guide how government collects, uses and shares information.
  - Data standards, to determine type of personal information collected, used and shared.
  - Research priorities, where the Province should focus its efforts to identify and address systemic racism
  - Reviewing annual statistics prior to release to prevent community harms.

Contact: Haiqa Cheema, ADM, Multiculturalism and Anti-Racism Branch	Government Financial Information

MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
CORPORATE BRIEFING NOTE 2023/24

ISSUE: RCY Report on CYSN Service Delivery

KEY MESSAGES:

- I'd like to thank the Representative for continuing to work toward our shared goal of improving services for children and youth with support needs.
- Our commitment to build a better system of supports has been aligned with the RCY's calls for a move to a needs-based system and improved services – and driven by the calls we've heard from families who are not able to get the supports they need for their children.
- We will take the time to review the report and learn from the valuable research it contains.
- We know that service providers, families, Indigenous leaders, and advocates hold immense knowledge on how to effectively deliver critical services.
- By learning from this and other RCY reports, deep engagement with our partners in the sector, and our FCC pilots we want to build a system that best supports all children and youth with support needs.

<u>If pressed on the rollout of family connections centres</u>

- Families in four pilot communities will be able to access a broad range of supports, some of which they may not currently have access to at all, as the family connections centres represent an increase in funding and resources for children and youth with support needs.
- Lessons learned through these pilots will inform the development of a new system that focuses on better outcomes for children and youth with support needs.
- We will also be engaging in deeper consultation with parents and caregivers, Indigenous Peoples, communities, experts and practitioners, MCFD staff, partners and other stakeholders with lived experience to understand how the system can be transformed and how to build a better system of supports, co-developed with Indigenous communities.

Contact: Allison Bond
Cell phone: 7786771448
Date: May 2, 2023

BACKGROUND:

In February 2023, the Office of the Representative for Children and Youth released a report entitled Key Components of Effective Service Delivery for Children and Youth with Support Needs and Their Families: A Research Review and Analysis. The report is the result of the RCY commissioning Dr. Pat Mirenda to complete a literature search and review examining the key components of effective hub style service delivery systems and analyzing this against MCFD's proposed family connections centers.

The Ministry will review this report in the context of the evaluation of the pilot sites, as well as the engagement with families over the next couple of years. The research report will provide insight into aspects of a model for service delivery.

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Date: May 2, 2023

MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
CORPORATE BRIEFING NOTE 2022/23

ISSUE: Premier's statement on ending group homes in B.C.'s foster care system

KEY MESSAGES:

- I made that statement in the context of the exercise of Indigenous rights over their children and families.
- On November 24, 2022, Bill 38, *Indigenous Self-Government in Child and Family Services Amendment Act*, which amends the *Adoption Act* and the *Child, Family and Community Service Act* (CFCSA), was passed into law.
- This legislation upholds Indigenous peoples' inherent right to jurisdiction over child and family services and removes provincial barriers so that Indigenous communities can exercise direct responsibility for their children and youth under their Indigenous laws in matters related to child protection, guardianship, and care. First Nations which are exercising jurisdiction will determine how their services will be delivered, inclusive of their model for home-based care.
- In addition to the Indigenous jurisdiction work underway, the ministry continues to provide services and supports for both Indigenous and non-Indigenous children, youth and families.
- When a child or youth can no longer live at home, our priority is to make every effort to support a kinship care model (often referred to as out-of-care placement) – ensuring children and youth remain in community connected to culture and language.
- If care cannot be provided by a person known to the child or youth, and that child or youth enters the system of care, we want to ensure their placement meets their unique needs and best interests. This Ministry prioritizes placing children and youth in home-based environments, where the foster caregiver resides with the child or youth.
- This province has come a long way to move out of the 'group home' model of care, recognizing children and youth require stability and attachment to caregivers – which is not easily accommodated in a staffed care home environment.

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Date: March 2023

- To continue our movement away from traditional group home models of care, the network of Specialized Homes and Support Services (SHSS) will include specialized homes for children and youth with needs that cannot be accommodated in foster care. These small-scale homes are highly specialized with improved quality assurance and oversight.

BACKGROUND:

- On December 21, 2022, a Vancouver Sun article was released citing Premier Eby's year-end interview where he stated "The long-term plan is absolutely to put an end to group homes. We're transitioning Indigenous jurisdiction over child welfare to First Nations. That is where we're going as a province".
- Children and youth experience better outcomes when they are cared for by extended family and remain connected to their community and culture.
- The ministry is actively engaged in discussions with First Nations and Indigenous governing bodies regarding increased involvement, decision-making authority, and jurisdiction in relation to Indigenous child and family services.
- B.C. is the first province in Canada to enact legislation that expressly recognizes that Indigenous Peoples have an inherent right of self-government, including self-determination specific to child and family services.
- Although the work to uphold Indigenous peoples' inherent right to jurisdiction over child and family services will result in meaningful changes to our child welfare system, the ministry has a continued mandate to deliver key services and supports for both Indigenous and non-Indigenous children, youth and families in B.C.
- When a child or youth cannot stay safely with their family for a period of time, our approach is to connect children and youth with home-based care settings, such as foster care.
- A small number of children and youth require a more specialized, long-term living environment, as such, contracted agencies operate under contract with the ministry to provide bed-based, 24-hour care to children and youth who cannot live safely at home. Historically, children and youth are placed in this care model due to their complex behavioural, medical, or mental health needs.

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Date: March 2023

- As part of the ministry's overall work to move upstream and focus on keeping families together and intervening early for children and families, the ministry is in the process of transforming the system of staffed resources or 'group homes.'
- The ministry is moving towards a network of supports and services, not a system of "group homes". Most of these services are short-term and therapeutic, and all of them are focused on meeting children, youth, and families 'where they are at' and to support them with what they need to stay strong and together. The network of care includes bed-based and the wrap-around community supports to meet the needs of children, youth and families.

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Date: March 2023

MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
CORPORATE BRIEFING NOTE 2023/24

ISSUE: RCY Missing Report

KEY MESSAGES:

- We appreciate the Representative for Children and Youth's oversight and we continue to review the recommendations.
- Nothing is more important than the safety and well-being of the children and youth who are in our care.
- When a child or youth in care is missing, we want them to receive the same response that a caring parent would give.
- While there are policies and procedures that are acted on when a youth in care is missing, the RCY has identified some important opportunities to strengthen them further, and I'm grateful to the Representative for her report.
- The Minister of Children and Family Development has committed to work collaboratively with Indigenous Child and Family Service Agency Directors and the RCY to address their recommended short-term actions by November 1, 2023.
- We've already made important progress transforming the child welfare system in B.C., but I know we still have a long way to go, and we are committed to taking the steps that are needed to support youth in care.
- We have a shared commitment with the RCY to improve outcomes for children and families in B.C.; reports like this continue to help us work cooperatively towards a common goal of improved safety for children/youth.
- I do want to extend my thanks to all of the front-line social workers who work tirelessly to find children and youth when they go missing. Overwhelmingly they are successful at locating those children and either returning them to their placements or finding a new place.
- But we can always do better – one missing child is one too many. I know I can speak for the Minister when I say that MCFD will continue to make systemic improvements so that children and youth feel that sense of belonging the RCY emphasizes.

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Date: May 1, 2023

BACKGROUND:

MCFD received the embargoed version of Missing: Why are children disappearing from B.C.'s child welfare system? on April 11 and the final on April 27 when it was tabled in the Legislature.

The report recommends MCFD/ICFS Agencies act on draft actions by Nov.1, 2023, and the Ministry is working on an action plan based on these recommendations.

- Develop an interim plan to improve collection/quality/compliance of reliable data by MCFD regarding lost and missing children including notifications when lost/missing.
- Align with B.C. provincial policing standards on responding to missing children/youth in general and amend policy to remove the requirement for missing children in the system of care to have additional concerns about their safety before they are reported as lost or missing.
- Adopt interim practice guidelines that support front-line workers to engage meaningfully with these children and youth after missing incidents to better understand circumstances why.
- Update Reportable Circumstances to include information on circumstances surrounding the child or youth's time lost or missing and develop Interim practice guidelines informed by evidence-based research and practices used within other jurisdictions.
- Remove requirement for youth to be habitually missing before workers are directed to work with the child or youth to determine why they go missing.
- Develop resources and guidelines on appropriate language use (e.g., not using AWOL, a WWI military term to describe youth who are missing).
- Develop a full learning initiative for all service lines on child-centred, person first, destigmatizing language.

The last recommendation is reiterated from Skye's Legacy and is related to belonging. RCY also calls for a substantive investment of new resources considered as a downpayment for a longer-term plan (this was an overdue recommendation from Skye's Legacy report). The RCY proposes a special convening of the child serving systems to explore systemic causes and conditions of unbelonging that lead to children becoming lost or missing, how their unmet needs across systems

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Date: May 1, 2023

contribute, and how systems of care and protection can be aligned to respond effectively while better upholding their rights.

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Date: May 1, 2023

MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
CORPORATE BRIEFING NOTE 2023/24

ISSUE: Response to RCY Advocating for Change Report

KEY MESSAGES:

- We appreciate the Representative for Children and Youth's oversight.
- We also appreciate the RCY's intention to look at systemic issues affecting the most vulnerable children.
- This is also the approach that government has taken since 2017, including a focus on connecting children to family and community, reduce the number of children in care, address the over-representation of Indigenous children in the care system, and support families to reduce vulnerabilities that may affect them.
- We have made historical investments in MCFD to support these shifts.
- MCFD's budget has steadily grown since 2017/18with the largest increases to come in fiscals 2017/18 (10.2%), 2021/22 (7.3%) and 2023/24 (9.8%).
- We have provided historical increases to foster care rates and harmonized those rates with extended family rates, representing the largest such increases in history and removing the incentive to bring children into care.
- We have brought in historical legislation on Indigenous child welfare.
- We have made the most significant investment ever in under-served children and youth with support needs.
- We have changed the system to support youth who turn 19 in ways government has never done before.
- Changes are happening.
- We do have the lowest number of children in care in history.
- We do have historically high numbers of children able to live with families and staying with community after being found in need of protection.
- We have signed our first coordination agreement, recognizing the jurisdiction of the Splats'in over their children and families – and we have more to come.
- We have introduced legislation and programs that will, finally, support youth who have had experience with the in-care system to thrive after they turn 19,

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Date:

and passed legislation this session that, for the first time, gives BC the legal ability to support all youth over the age of 19 that have had contact with our system, not just a few.

- All this being said, this is a system that needs improvement. That is why we welcome the RCY's independent oversight.
- We develop action plans in response to the recommendations.
- While MCFD is undertaking this significant and systemic change, and delivering services to children, youth and families everyday, we are also trying to incorporate the actions from the RCY's reports. These do not always get implemented within the recommended timeframe , work is underway on all of them
- It is clear that change is happening.
- The Ministry will continue to implement the recommendations, and will continue to work towards improving services for children and youth and their families.

BACKGROUND:

The Representative for Children and Youth (RCY) has completed a five-year review, entitled Advocating for Change, which provides a progress report on government-wide implementation of 63 RCY recommendations. The report is primarily directed at MCFD but includes recommendations for the Ministries of Health and Mental Health and Addictions as well. The report was tabled in the House and released publicly on April 18, 2023.

The report, which is current to December 2022, indicates MCFD has completed work on 6 of 35 recommendations it has been provided with over the past 5 years. Overall, the report indicates MCFD has made little progress toward implementing RCY recommendations, suggesting government has struggled to implement change. It states that ministries prioritize their own frameworks rather than addressing the RCY's calls for change. The progress of the 35 recommendations involving MCFD in the report are categorized as:

- Complete: 6
- Substantial Progress: 3
- Some Progress: 14
- No Progress: 12

Of the 63 recommendations reviewed, public bodies self-report 21 (33%) of the recommendations as Complete. However, the RCY's assessment considers only 9 (14%) of the recommendations as Complete. This difference is attributed to the RCY determining that public

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Date:

bodies had either performed incomplete analyses, missed information or failed to address the recommendation altogether.

Overview of recent accomplishments (if further detail required):

- MCFD is now supporting all youth who are transitioning from care by continuing to expand the comprehensive suite of services and supports available, with a focus on providing a seamless transition to adulthood.
- MCFD has introduced legislation to expand the ministry's capacity to support youth from care.
- MCFD is implementing improved services now, including a no-limit earnings exemption, youth transition workers, a rent supplement program and expanded health and dental coverage.
- MCFD works with Indigenous rightsholders, Modern Treaty Nations, Indigenous partners, Métis and Inuit partners and Indigenous Child and Family Service Agencies to reduce the overrepresentation of Indigenous children and youth in government care and, as a result, we are seeing the lowest number of Indigenous children and youth in care in 20 years.
- In November 2022, Bill 38, Indigenous Self-Government in Child and Family Services Amendment Act was passed into law, which has changed legislation to remove barriers for Indigenous Governing Bodies exercising jurisdiction over child and family services.
- We harmonized rates between foster parents and out of care providers, which has allowed more children and youth to remain out of care and living with extended family or community members.
- We are building a network of quality Specialized Homes and Support Services to better support families staying together and help meet the therapeutic needs of children and youth.
- In the meantime, we are improving supports for children and youth in kinship care with complex needs through the enhanced out of care program, which was recently launched province-wide.
- We are taking steps to support our foster caregivers with an increase of nearly $85 million, which will provide substantive increases of up to 47% to maintenance rates that will benefit approximately 7,800 children, youth and their caregivers.
- The ministry is committed to continuous improvement. We are continuing to invest in the supports that help keep children, youth and families together, as well as expand and improve the programs and services that provide long-term benefits for the people who need them most.

Contact: Allison Bond
Cell phone: 7786771448
Date:

MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
CORPORATE BRIEFING NOTE 2023/24

ISSUE: MCFD and CYSN Historical Budgets

KEY MESSAGES:

- The Ministry of Children and Family Development's (MCFD) 2023/24 budget is $1,912.1 million.
- Since 2017/18, MCFD's budget[1] has increased by $611.78 million, with *Budget 2023's* increase of $171.5 million being the largest increase of the 10 years.
- Since 2017/18, the Children and Youth with Support Needs (CYSN) budget has increased by $197.07 million, with *Budget 2023's* increase of $48.5 million being the largest increase of the 10 years.

<u>If asked about the $130,000+ for children in care living in contracted settings:</u>

- The number the member opposite is quoting we believe is derived from the material assumptions table of the budget book.
- It does not represent per child funding that is given directly to any single service provider but is an amount representing the costs for all children in care.
- We will be happy to provide further information about how that number is derived, but it is not as quoted by the member opposite.
- The Ministry is transforming its services, including contracted care. The Specialized Homes and Support Services transformation focused on matching children to the best care resource: family first, then relatives, then foster caregivers, and when it is necessary to meet the needs of those children, specialized. Part of this redesign also includes providing additional supports to children who have higher acuity of need in kinship/extended family care.

BACKGROUND:

[1] 2017/18 – 2022/23 budgets have been restated to reflect the ministry's current program delivery.

Contact: Allison Bond
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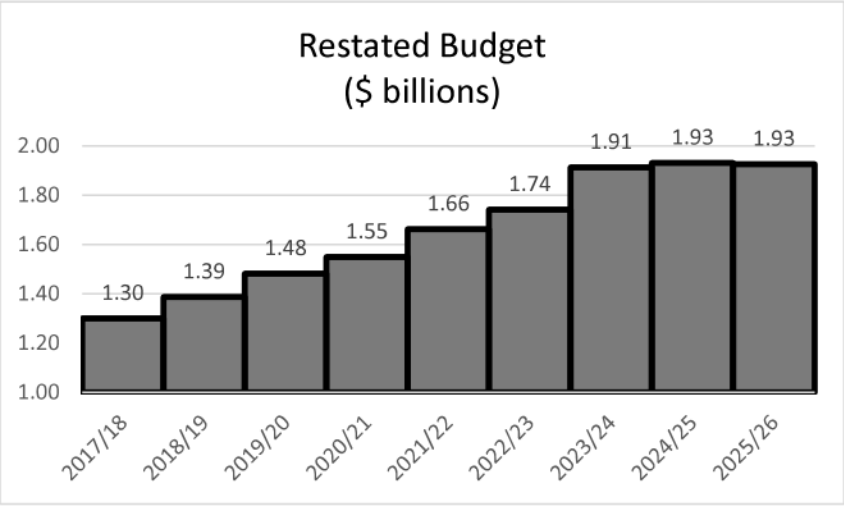
Date: May 5, 2023

- MCFD's budget has steadily grown since 2017/18 with the largest increases to come in fiscals 2017/18 (10.2%), 2021/22 (7.3%) and 2023/24 (9.8%).



- Over the 10 years the ministry has received investments for:
    - Child Welfare caseload- $165.50 million
    - Caregiver Rates - $99.4 million
    - CYSN Service Framework - $71.8 million
    - Caseload Staffing - $49.5 million
    - Child and Youth Mental Health - $55.2 million
    - Youth Adults - $44.4 million
    - CYSN Caseload (including Respite) - $41.7 million
- The CYSN budget has received steady increases since 2017/18 landing between 23.4 and $39.7 million; with the latest increase landing at $48.5 million
- Since 2017/18, the CYSN budget has received lifts as a result of the following initiatives/priorities:
    - CYSN caseload (Autism Individualized Funding and Medical Benefits) - $28.0 million
    - Direct Funding Respite annual maximum increases - $13.7 million
    - CYSN framework pilot and interim supports - $71.8 million

Contact: Allison Bond
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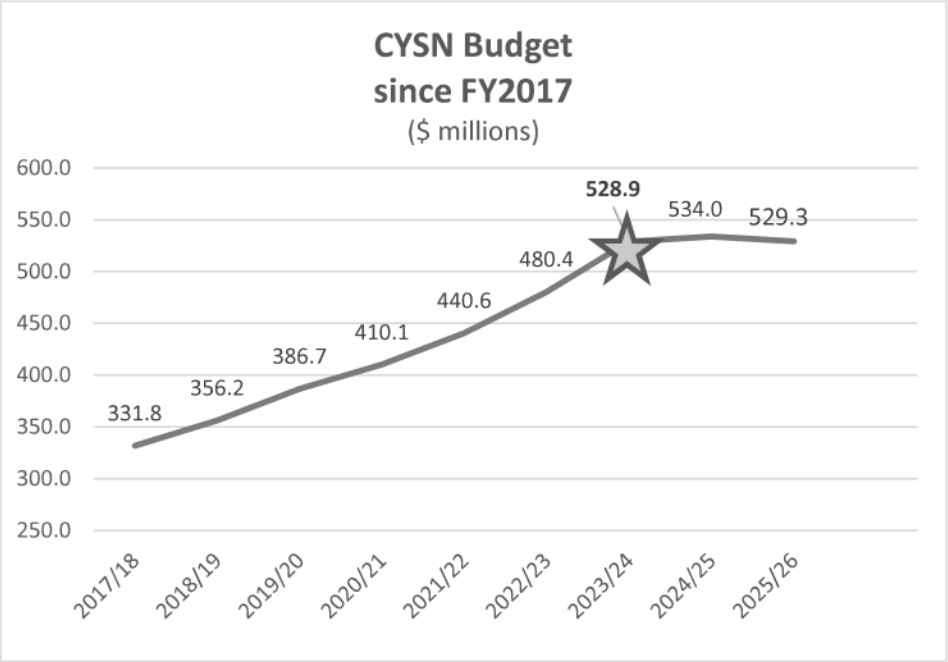
Date: May 5, 2023



The following provides background with respect to the issue raised associated with the $135,000 per child.

On May 2, 2023, during Question Period, the Minister was asked about the $135,000 per year spent on children and youth in care, and suggested that this money goes to for profit service providers providing care for these children.

We believe the number of "135,000 per year per child" is cited from 'Table A7 Material Assumptions – Expense' of the Budget and Fiscal Plan.[2] The MLA seems to have pulled the figure from 2025/26 fiscal year in the table: 135,233.

The projected figures are calculated as follows and sent to TBS for the development of the material assumptions table:

- This average is calculated from actual direct payments made to care providers for children/youth and the total number of days the children/youth spend in the placement
- This average is then annualized
- The forecast is created by applying historical growth in foster and contracted costs and the trend in the use of foster and contracted services

[2] see page 156: https://www.bcbudget.gov.bc.ca/2023/pdf/2023_Budget_and_Fiscal_Plan.pdf

Contact: Allison Bond
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Date: May 5, 2023

- Not every CYIC receives this amount, these are averages and are skewed by the resources needed for children and youth that require higher intensity supports (at contracted resources).

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Date: May 5, 2023

MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
FINANCE AND CORPORATE SERVICES
ADM ESTIMATES BRIEFING NOTE 2022/23

ISSUE: Starbright Children's Development Centre

KEY MESSAGES:

- On November 25, 2022, government committed to maintaining individual autism funding, engaging in deeper consultation for a new funding and service model for children and youth with support needs.
- Part of this announcement was a pause on the province-wide rollout of the new CYSN service framework and instead implementing four pilot family connections centres (FCCs) coupled with a robust evaluation process.
- The Ministry completed a procurement process to select the four pilot FCCs. ARC Programs was the winning FCC proponent in the Okanagan region.
- Given the four FCCs are pilots and not intended to replace existing services in communities during the 2-year timeframe of the pilot, the contract with Starbright Children's Development Centre was continued so as to enable more services to the people of the Okanagan region.
- Starbright is a valued partner so in response to ongoing concerns related to stability – of services to the community and staffing – the Ministry has further extended their contract to a three-year term with two 1-year options to renew which aligns with the evaluation timeframe.
- We are aware that Starbright and the FCC operator (ARC) are participating in protocol arrangements to ensure coordinated services for the central Okanagan region.
- As the evaluation process gets underway, Starbright, as a valued partner, and other agencies will be invited to provide feedback and ideas for the future design of the CYSN system.

BACKGROUND:

- The ministry's Children and Youth with Support Needs program area provides a range of child, youth and family-focused support programs and interventions to promote children's healthy development, maximize quality of life, and assist families in their role as primary caregivers.

Contact: Keith Godin, EFO and ADM Finance and Corporate Services
Cell phone:
Date: May 8, 2023

- In October 2021, the ministry committed to transforming how services are delivered for children and youth with support needs and their families and we are taking steps to begin the implementation process.
- The Ministry continues to be focused on enhancing services for all children and youth with support needs in British Columbia.
- On May 10, 2022, a Request for Proposal (RFP) was posted on BC Bid to create new family connections centres (FCCs) in the four pilot sites as directed by government, lead and non-lead applicants were notified in fall of 2022 and the four new contracts were signed by January 3, 2023.
- On January 4, 2023 a public notice was posted on BC BiD confirming the outcome of the procurement process and all proponents were offered a debrief of their proposal by the Ministry of Citizens Services.
- ARC Programs Ltd. was the successful proponent in the Central Okanagan region.
- Starbright – an agency in the Central Okanagan – was unsuccessful in their response to the RFP procurement. They were notified in September 2022 that they were not the lead applicant with a public announcement of the successful vendors in January 2023.
- It came to the Ministry's attention that there were concerns in the community about the potential dissolution of Starbright. The Ministry took action to understand the concerns and identify potential solutions. The concerns were also communicated through various media outlets.
- Ministry staff had discussions with both ARC and Starbright about opportunities for the two agencies to work together under the FCC contract. Starbright did meet with ARC to discuss and confirmed that the sub contract is not an option they were willing to pursue.
- On February 3, the Ministry and Starbright agreed on an extension of the existing contract for a term of two years plus an optional one-year extension.
- It came to the Ministry's attention that there were still ongoing concerns from the community related to the stability of services. The Ministry met with Starbright to better understand the ongoing concerns.
- On May 5, the Ministry proposed an adjusted term of three years plus two optional one-year extensions.
- Advice/Recommentations

Contact: Keith Godin, EFO and ADM Finance and Corporate Services
Cell phone:
Date: May 8, 2023

Contact: Keith Godin, EFO and ADM Finance and Corporate Services
Cell phone:
Date: May 8, 2023

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Advice/Recommentations

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Advice/Recommentations

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

Title: **Facts and Figures (FOI)**

Revised: **Date of last revision, February 8, 2023**

Access to Information

FOI Volumes

- In a typical year, the province receives approximately 10,000 - 12,000 Freedom of Information (FOI) requests.
- Definition of "general request": A request that is for general government information such as briefing notes, have continued to be the highest level of request types being received by government.
- Definition of "personal request": A request related to an individual's own personal information. Personal requests include information such as child in care records, income assistance records.

Number of FOI Request Received			
Fiscal	General Requests	Personal Requests	Total
2016/17	4,905	4,405	9,310
2017/18	5,501	4,970	10,471
2018/19	7,622	4,633	12,255
2019/20	8,147	4,908	13,055
2020/21	6,467	3,798	10,265
2021/22	5,253	4,055	9,308

- B.C. has an active and informed stakeholder community that makes more requests per capita than in the three western Canadian provinces (AB, SK, MB) combined.

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

Service Plan: Provide greater public accountability by improving access to government information, while ensuring the protection of privacy

- Objective to enhance public access to government records.
- Measured through the percentage of on-time responses to Freedom of Information (FOI) requests.
- Definition of "on time": A request is considered on time if the applicant receives a response within the legislated time limit for responding. All requests must be responded to within 30 days unless a time extension is permitted. For more information, see *Freedom of Information and Protection of Privacy Act* s.7 and s.10.
- Timeliness was significantly impacted by government's ongoing commitment to respond to overdue requests. Because a request is not calculated into the timeliness measure until the request is closed, a focus on closing overdue requests will negatively affect the timeliness reporting for all requests closed in that fiscal year.

Percent of on-time Freedom of Information Requests		
Fiscal	Forecast	Actual
2016/17 Baseline	80%	80%
2019/20	85%	83%
2020/21	85%	85%
2021/22	85%	81%
2022/23	90%	TBD

Privacy Protection

Privacy Breach Reporting

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

- A privacy breach is an information incident involving personal information such as names, birth dates, financial information or health information.
- The majority of reported privacy breaches are accidental, minor in nature, and are quickly resolved.
- The reporting of privacy breaches has been steadily increasing since 2015 due to improved training, mandatory reporting requirements and the implementation of new tools and technologies across government. At the same time, the seriousness of privacy breaches has been declining.
- Breaches classified as moderate to serious accounted for 28% of the reports in 2017, 17% in 2022.

Actual or Suspected Privacy Breaches and Complaints Reported to Investigators	
Fiscal	Incidents Reported
2016/17	1,671
2017/18	1,803
2018/19	2,013
2019/20	2,234
2020/21	1,978
2021/22	2,487

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

Privacy Impact Assessments (PIAs)

- Privacy impact assessments (PIAs) are used by public bodies to review the level of privacy risk to a system, project, program, or activity. This step-by-step review process ensures government protects the personal information collected or used in accordance with the privacy requirements outlined in FOIPPA.
- Conducting a PIA helps protect privacy and builds public trust by ensuring government is collecting, using and storing personal information appropriately.

Privacy Impact Assessments (PIAs) Conducted	
Fiscal	PIAs Conducted
2016/17	654
2017/18	648
2018/19	896
2019/20	1,171
2020/21	972
2021/22	1,056

Budget Summary

- Administration of access to information and privacy protection are centralized through the Corporate Information and Records Management Office (CIRMO).
- CIRMO is the central agency responsible for developing corporate information management (IM) strategies, legislation, policies, and standards; and for delivering IM operations, training, and compliance reviews.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

Fiscal	CIRMO Budget
2016/17	$15.307M
2017/18	$18.951M
2018/19	$21.451M
2019/20	$22.268M
2020/21	$21.862M
2021/22	$22.146M
2022/23	$22.146M
2023/24	$24.644M

- The Ministry of Citizens' Services committed over $5.3 million to a multi-year project that will modernize the freedom of information process.

Contact:

Charmaine Lowe	ADM	CIRMO	Government Financial Information
Rhianna Begley	ED, Information Access Operations	CIRMO	778-698-5851

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Citizens' Services
Minister Responsible: Hon. Lisa Beare

Title: Improving Response and Processing Time for Freedom of Information Requests

Revised: Date of last revision, February 8, 2023

Key Messages:

- My Ministry is committed to improving the Freedom of Information (FOI) system so people in B.C. have timely access to the information they need.
- This includes individuals who are requesting access to their own personal information such as child in care files, disability files and income assistance files.
- When it comes to improving our response times, this is complex work that takes time.
- For example, improving our FOI system includes resolving a backlog of complex, difficult files - frequently those of a personal or sensitive nature.
- However, as those overdue requests are closed, it negatively impacts the average processing days for closing all files.
- So, while we are making progress on resolving our backlog of complex files, the statistics against which our performance is measured does not reflect that progress.

Why do we have a backlog?

- The Province saw a more-than-40% increase in request volumes over a two-year period that reached an all-time high

of over 13,000 requests in 2019/20, declining slightly in 2020/21 to 10,265, and to about 9,300 in 2021/22.

- Processing times during these years were impacted as requests also grew in size and complexity.

What we are doing about it?

- The improvements we have made to the FOI system have freed up resources to focus on the backlog, and so far, the Ministry has reduced the backlog by 22%.
- Even while focusing on reducing the backlog, the average processing time to respond to 97% of FOI requests was 41 days for 2021/22, an improvement of four days over the previous year.
- We are going to continue to look at how we can make further improvements to get people the information they need.
    - The Ministry has committed over $5.3 million over three years to modernize the FOI process to manage the large volume of FOI requests the Province receives annually, resulting in faster, more secure delivery.
    - The FOI Modernization Project will improve business processes across government ministries and implement new technologies to increase efficiencies and improve the service experience for applicants.
    - We are working to reduce the backlog of overdue requests by focusing staff resources on the most overdue files.

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

- **We are also working with ministries to find ways to make more records proactively available to the public without an FOI request.**

Questions and Answers:

1) **What steps have you taken to improve timeliness of FOI responses?**

- Government has been hard at work to improve the system and help people get their records faster.
- We are focused on reducing the backlog, and in particular for applicants seeking their personal information from the Ministry of Children and Family Development.
- This backlog contains larger, more difficult files – and frequently those of a personal or sensitive nature.
- Despite challenges with the COVID-19 pandemic, we have been able to provide excellent service to citizens.
- We are focused on closing the oldest and largest files in the MCFD backlog, processing over 900,000 pages of overdue material this fiscal year to date, prioritizing those who have been waiting the longest.
- My Ministry is exploring new technologies to make responding to FOI requests more efficient and secure.

Contact:

Charmaine Lowe	ADM	CIRMO	Government Financial Information

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Citizens' Services
Minister Responsible: Hon. Lisa Beare

Title: Freedom of Information Fee Impacts

Revised: Date of last revision, February 8, 2023

Key Messages:

- B.C. is committed to providing timely and helpful FOI services to the people of British Columbia.
- People requesting their own personal information will continue to pay no fee at all, and Indigenous Governing Entities are not required to pay an application fee.
- The $10 fee for non-personal FOI requests is in line with fees charged in other jurisdictions in Canada.
- Since the introduction of the application fee, the Ministry has been closely monitoring its impact.
- In January of 2022, the Office of the Information and Privacy Commissioner (OIPC) released a report on the application fee.
- Government thanks the Commissioner for his report.
- As the Commissioner noted in his report, members of the public continued to submit high volumes of requests, even after the fee was introduced.
- While the fee does not appear to pose a barrier to making an FOI request, we will continue to monitor its impact and make

informed improvements to our services.

- **The reduction of general requests can be strongly attributed to two applicants, one media and one political party.**
- **The political party drop in requests made up 48% of the overall decrease in general FOI requests.**
- **The single media applicant made up 24% of the overall decrease.**

Questions and Answers:

1. **Will you implement the OIPC's five recommendations?**
   - I want to thank the Information and Privacy Commissioner for his report
   - For the most part, the B.C. government is already doing the things the report recommends. However, there is always room for improvement, and we will consider whether additional measures should be implemented to improve our services.
   - Our aim is to continually improve the FOI system in B.C. to ensure people receive information as quickly as possible.

2. **What conclusions do you draw from the OIPC's report?**

- The OIPC's report supports some of our own preliminary findings, as we noted in our FOIPPA Annual Report for 2021-22.

- As the OIPC observed, individual applicants – the second-largest group of users of the FOI system – continued to submit high volumes of requests even after the fee was introduced.

3. Will you scrap the FOI application fee?

- We will continue to apply the fee for non-personal requests.

- The new FOI application fee for non-personal requests is modest at only $10 and is in line with other jurisdictions.

- As the Commissioner stated in his report: "it would not be prudent to draw definitive conclusions at this stage."

- While the fee does not appear to pose a barrier to making an FOI request, we will continue to monitor its impact and make informed improvements to our services.

4. Doesn't asking people to pay a $10 fee for public information go against your claim to be an open and transparent government?

- The fee is in line with what other jurisdictions charge.

- People requesting their own personal information continue to pay no fee at all.

- Indigenous governing entities are not required to pay an application fee.

- With the implementation of the fee, we have seen a reduction in broad, multi-ministry requests from a handful of high-volume requesters.
- This reduction has freed up resources to focus on processing requests from individual members of the public, many of whom are waiting to receive their own personal information, rather than disproportionately serving one or two high-volume applicants.
- We are also able to put more resources into proactive disclosures to increase the amount of information that's made available to the public on an ongoing basis without an FOI request.

5. Political requests have dropped significantly. Isn't it clear that the fee is preventing political parties from accessing information?

- There was a substantial decrease in FOI requests by political parties observed through all quarters of 2021-22, including the quarters before the fee was introduced.
- So far this quarter, political parties have accounted for 30% of general requests received, which indicates political parties have continued to actively file FOI requests. This is a return to a 2016 baseline when political parties similarly accounted for 32% of requests.
- It is too soon to draw any conclusions from this data. We need to gather more information before we can identify any long-term trends.

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

6. Media requests have dropped significantly. Isn't it clear that the fee is preventing reporters from accessing information?

- Media have continued to submit requests and remain the third largest category by volume. It does not appear that the fee is preventing media from accessing the FOI system.
- It is too soon to draw any conclusions from this data. We need to gather more information before we can identify any long-term trends.
- A large reduction in media requests can be attributed to one applicant, who previously represented upwards of 76% of all media requests. This applicant has now reduced their volume to 23% of all media requests following the introduction of the application fee.

Contact:

Rhianna Begley	Executive Director, Information Access Operations	CIRMO	778 698-5851

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

Title: **Office of the Information and Privacy Commissioner (OIPC) Recent Reports, Orders and Recommendations**

Revised: Date of last revision, February 24, 2023

Key Messages:

- **The Information and Privacy Commissioner provides independent oversight and enforcement of the *Freedom of Information and Protection of Privacy Act* (FOIPPA) and the *Personal Information Protection Act* (PIPA).**
- **We are appreciative of the work that the Office of the Information and Privacy Commissioner has undertaken over the last year.**
    - ***If asked about a specific issue, investigation or report, please refer to the questions and answers below.***

Questions and Answers:

1) Recommendations: Data Linking

- Data-linking is defined in FOIPPA as the temporary or permanent linking of 2 or more data sets using one or more common keys, for example, personal health numbers.
- The 2016 report of the Special Committee to Review FOIPPA, primarily based on the advice of the Information and Privacy Commissioner, recommended that FOIPPA's data-linking provisions be amended to add clarity and broaden their scope.

- In response, Government amended the data-linking provisions in 2021 to simplify the definition.
- In his submission to the 2022 Special Committee to Review FOIPPA, the Information and Privacy Commissioner recommended that regulatory rules be put in place to address transparency, privacy protections, and oversight for data-linking.
- ***Government is currently reviewing these recommendations and my staff will be engaging ministries and the OIPC in discussions as this work continues.***

2) Recommendations: Children's Privacy Codes of Practice

- In recent months, the Information and Privacy Commissioner has acknowledged that children's online privacy is an emerging concern that needs to be addressed.
- The commissioner advocated for B.C. to implement 'codes of practice' to create a set of rules for how children's data can be used.
- [See Children's Online Privacy note for further information.]

3) Special Report: Artificial Intelligence (Automated Decision Making)

- In June 2021, the B.C. and Yukon Privacy Commissioners and Ombudspersons jointly published *Getting Ahead of the Curve: Meeting the challenges to privacy and fairness arising from the use of artificial intelligence in the public sector*.

- In June 2022, the federal government introduced Canada's first artificial intelligence legislation, if enacted it will establish Canada-wide rules for the development and use of artificial intelligence systems.
- ***We will continue to monitor the progress of the federal law and assess what needs to be done in B.C.***

4) Investigation Report: FOI Application Fee Administration

- In January 2023, the OIPC released a report investigating the implementation of the FOI application fee and its effect on request volumes.
- The report encouraged public bodies to clearly define and communicate their practices for application fees, and to offer a variety of fee payment options.
- The report did not draw any clear conclusions about the effect of the fee on request volumes.
- [See FOI Application Fee Impacts note for further information.]

5) Investigation Report: Provincial Public Health Information System

- In December 2022, the OIPC released a report investigating security protections in place for the Provincial Public Health Information System, also known as Panorama.
- Panorama is administered by the Provincial Health Services Authority (PHSA).

- The report recommended that the PHSA add more resources to proactively monitor for breaches, suspicious activity, software updates, and emerging cybersecurity threats.
- ***The PHSA is responsible for the management of Panorama and has committed to carefully reviewing the OIPC's findings***.

6) Compliance Report: Review of private liquor and cannabis retailers

- In June 2021, the OIPC issued an investigation report into the privacy practices of private liquor and cannabis retailers, who are subject to PIPA. The report included 18 recommendations.
- Six months after the initial report, the OIPC reviewed the retailers' progress on implementing the recommendations of the previous report.
- ***I am pleased that the compliance report was largely positive, finding that 70% of the OIPC recommendations had been fully implemented, and 22% had been partially implemented***.

7) Special Report: FOI Timeliness

- The OIPC is currently conducting a review of the timeliness of government responses to FOI requests.
- These are routine reports – the OIPC has conducted timeliness reviews every 2-3 years since 2009 with the most recent being published in September 2020.
- The OIPC was provided information to support this review in October 2022.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

- ***Government is working hard to improve its FOI system and services.***
- ***We are cooperating fully with the OIPC's review and will carefully review and consider all recommendations from the Commissioner in his forthcoming report.***

Contact:

Charmaine Lowe Assistant Deputy Minister CIRMO

Government Financial Information

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Citizens' Services
Minister Responsible: Hon. Lisa Beare

Title: Special Committee Recommendations

Revised: Date of last revision, February 8, 2023

Key Messages:

- My ministry is committed to improving the freedom of information (FOI) system so people in B.C. have timely access to information they need.
- We are dedicated to ensuring the freedom of information and privacy law in B.C. keeps pace with emerging technologies and enhances privacy protection – that's why the work of the Special Committees continues to be important.
- The legislation that was enacted in November 2021 was informed by a number of the recommendations made by past committees – as well as feedback gathered through consultations over the course of three years.
- Recommendations by privacy experts, including the Office of the Information and Privacy Commissioner (OIPC) and Special Committee, are integral to our work.
- We are reviewing the 34 recommendations made by the Special Committee as part of their June 2022 *FIPPA for the Future* report as we continue to look for opportunities to improve and modernize access to information and privacy protection in B.C.

Ministry: Ministry of Citizens' Services
Minister Responsible: Hon. Lisa Beare

Questions and Answers:

1) **What progress has government made on the 34 recommendations from the 2022 Special Committee report?**

- Government continues to look for opportunities to improve and modernize access to information and privacy protection in B.C.
- For example, in alignment with recommendation 12 to modernize the freedom of information system, we have invested over $5.3 million in a multi-year project to modernize and improve the FOI system across government to ensure people get the information they need, faster.
- We are also committed to the practice of proactive disclosure and will continue to work to identify other categories of records that may be appropriate for proactive release.
- And we continue to look for opportunities to align our work with the *Declaration on the Rights of Indigenous Peoples Act*.

2) **Why did Government proceed with the 2021 amendments before the Special Committee completed its review?**

- Until last fall, the Act had not been updated since 2011, which meant that not one, but two sets of Special Committee recommendations had gone unaddressed.
- Updating the Act when we did, allowed the new Special Committee to focus on forward-looking issues with an Act that is more modern and responsive to the needs of people in B.C.

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

3) What previous Special Committee recommendations were addressed when FOIPPA was amended in 2021?

- The amendments made to the *Freedom of Information and Protection of Privacy Act* (FOIPPA) in 2021 addressed several of the Special Committee recommendations, including:
  - making it mandatory to report a privacy breach,
  - making it an offence to destroy documents to evade access,
  - making it mandatory to put in place a privacy management program,
  - increasing maximum penalties for privacy-related offences, and
  - enabling the addition of subsidiary corporations and other entities as public bodies.
- Other recommendations were addressed through policy and those related to records management were satisfied through the introduction of the *Information Management Act.*
- *(If asked)* Of the thirty-nine recommendations contained in the Special Committee's 2016 report:
  - Nine recommendations were addressed through the 2021 amendments.
  - Eight recommendations were addressed through other means such as the *Information Management Act* or government policy.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Citizens' Services**
Minister Responsible: **Hon. Lisa Beare**

Contact:

Charmaine Lowe	Assistant Deputy Minister	CIRMO	Government Financial Information

2023 Estimates Note
Advice to the Minister

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Capital Management Branch/Resource Management Division

Title: Capital Budget

Date Revised: March 13, 2023

Key Messages:

- Budget 2023 includes $2.95 billion in provincial capital funding ($3.39 billion in taxpayer funding, including school district contributions) for priority projects and programs over the next three years.
- The priorities for capital investment include:
  - investing in new and modernized schools, including focusing on meeting seismic requirements;
    delivering more student seats in growing communities, to reduce the reliance on portables;
  - meeting climate change and energy efficiency standards, as set out in the CleanBC Plan; and,
  - improving health and safety for students and staff, including COVID-19 related facility improvements.

Key Facts Regarding the Issue:

- British Columbia's total capital budget for education is $865 million in fiscal year 2023/24.
- The Ministry of Education and Child Care (ECC) is investing $669 million over three years to maintain and improve schools throughout the province through the Annual Facilities Grants, School Enhancement Program, Building Envelope Program and Carbon Neutral Capital Program.
- Government established a capital fund for school playgrounds in Budget 2018 and is committed to providing universally accessible playgrounds with $15 million in funding over the next three years.
- Budget 2023 includes new priority projects to address enrolment growth pressures across the province, along with ongoing investments in making schools seismically safe.

Key Outcomes:

- New schools, additions and replacements in Surrey and other growth communities enable school districts to reduce their reliance on portables to accommodate enrolment growth.
- More students have access to seismically safe seats in more communities across the province.

2023 Estimates Note
Advice to the Minister

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Capital Management Branch/Resource Management Division

- School facilities promote student and staff safety, through the COVID-19 pandemic and beyond.
- Capital investments support progress towards the CleanBC targets to reduce green house gas emissions by 40 percent by 2030.

Statistics:

- There are about 1,600 public schools, owned and operated by 60 school districts in B.C.
- There are 54 major capital projects currently in progress (funding approved):
  - seven new schools;
  - 22 additions/renovations;
  - two school replacements;
  - one site acquisition;
  - two demolition; and,
  - 20 seismic.
- There are 496 total projects across 33 school districts in the Seismic Mitigation Program:
  - 214 schools have been completed;
  - 15 are under construction;
  - five are proceeding to construction;
  - 12 are in business case development; and,
  - 250 are future priorities.
- The progress and completion of the seismic mitigation program varies by school district:
  - four school districts have completed all of their high-risk schools:
  - 13 school districts have 50 percent or more of their high-risk schools completed; and,
  - 16 school districts have less than 50 percent complete.
  - ECC continues to work with the Engineers and Geoscientists of British Columbia and school districts to assess the seismic risk of schools remaining in the Seismic Mitigation Program, and to prioritize funding for schools based on risk and other factors.

Funding:

- Government Financial Information

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Capital Management Branch/Resource Management Division

- Capital spending by fiscal year includes:
  - Government Financial Information
  -
  -

Delivery Partners:

- School Districts

Contact: *Francois Bertrand, Executive Director, (250) 415-1970*

2023 Estimates Note
Advice to the Minister

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Captial Management Branch/Resource Management Division

Title: School Closures

Date Revised: March 14, 2023

Key Messages:

- The *School Act* provides a board of education with the authority to close a school in its school district, either temporarily or permanently.
- Permanent school closures are also subject to the School Opening and Closure Order (Order).
- Under the Order, closing a school building that is used for the purposes of providing an educational program to students for a period exceeding 12 months is considered a permanent closure.
- If a board decides to permanently close a school, it must provide the Minister of Education and Child Care with written notification.

Key Facts Regarding the Issue:

- School Closure Process:
  - The School Opening and Closure Order requires each board of education to develop and implement a school closure policy for its school district.
  - That school closure policy must be made available to the public.
  - The policy must include a public consultation process regarding permanent school closures.
  - The process has to provide an adequate opportunity for the community to respond to a board's proposal to close a school and allow for the fair consideration by the board of the community's input.
  - The proposal must have addressed possible alternative community uses for the school.
- Announced in June 2016 and discontinued in the 2020/21 school year, the Rural Education Enhancement Fund (REEF) was intended to keep public schools open in small rural communities (i.e., having a population less than 15,000) where impacts on the community were a concern.
- REEF funding was added to the Small Community Supplement under the Supplement for Unique Geographic Factors; in the 2020/21 school year funding through Unique Geographic factors increased by $26.5 million to $321.6 million, compared to $4.3 million of REEF funding. This provides flexibility for school districts in how the funding is used, rather than only to be used to help keep a rural school open.

2023 Estimates Note
Advice to the Minister

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Captial Management Branch/Resource Management Division

Key Outcomes:

- REEF enabled boards of education to keep open small rural schools that might otherwise have been closed.
- Moving REEF into the Small Community Supplement has ensured that all small schools in remote communities are supported, and that school districts do not have to initiate, or start conversations about, a school closure process to access the funding.
- Boards normally close schools to allow for more efficient student space utilization, and to save operating and maintenance costs.

Statistics:

- In 2018/19, three schools were permanently closed:
  - Chance Alternate, SD33 (Chilliwack);
  - Rutherford Elementary, SD68 (Nanaimo-Ladysmith); and,
  - Esperanza Elementary Secondary, SD84 (V.I. West).
- In 2019/20, three schools were permanently closed:
  - Sea Island Elementary, SD38 (Richmond);
  - Buick Creek Elementary, SD60 (Peace River North); and,
  - Sk'il' Mountain Community School, SD74 (Gold Trail).
- In 2020/21, two schools were permanently closed:
  - Salt Spring Island Middle School, SD64 (Gulf Islands); and,
  - Lytton Elementary, SD74 (Gold Trail).
- In 2021/22, one school was permanently closed:
  - Midway Elementary, SD51 (Boundary)
- 263 public schools were closed from 2002/03 to 2017/18, and nine between 2018/19 and 2021/22

Funding:

- REEF Funding (school year)
  - REEF was funded outside of the operating block.
  - In 2017/18, $3.37 million was allocated for 11 schools in eight school districts.
  - In 2018/19, $4.06 million was allocated for 14 schools in nine school districts. The three additional schools are from the same school district, SD27 – Cariboo-Chilcotin.
  - In 2019/20, $4.29 million is being allocated for 16 schools in 10 school districts. The two additional schools are from the same school district, SD50 – Haida Gwaii.
  - In 2020/21 REEF was discontinued and included in the Small Community Supplement, one of the Unique Geographic Supplements.

2023 Estimates Note
Advice to the Minister

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Captial Management Branch/Resource Management Division

Background:

- If a board decides to permanently close a school, it must promptly notify the Ministry in writing and provide the following information:
  - the school's name;
  - the school's facility number;
  - the school's address; and,
  - the date of school closure.

Contacts: *Travis Tormala, Regional Director, Capital Management Branch, (778) 678-7516*

Francois Bertrand, Executive Director, Capital Management Branch, (250) 415-1970

Jonathan Foweraker, Executive Director, Funding and Financial Accountability Branch, (250) 896-2673

ADVICE TO PREMIER

CONFIDENTIAL **ESTIMATES NOTE** **Ministry of Education and Child Care** **Date: April 6, 2023** **Ministers Responsible:** **Rachna Singh and Grace Lore**	**ChildCareBC**

ADVICE AND RECOMMENDED RESPONSE:

- **The B.C. government recognizes the challenges many parents face when trying to balance raising a family with pursuing work and training opportunities.**
- **For too long, child care wasn't treated like a necessity.**
- **It was gated behind rising fees that shut out most families.**
- **We've been working hard to change that.**
- **In 2018, government launched the ChildCareBC Plan, a 10-year strategy to build affordable, accessible, quality, inclusive child care as a core service that families can depend on.**
- **We are also committed to partnering with First Nations, Inuit and Métis Peoples in building culturally relevant child care that meets the unique needs of Indigenous families.**
- **This year, government has been focused on implementing initiatives that support the key pillars of the ChildCareBC Plan, including affordability, quality, access, inclusion, and Indigenous-led child care. Highlights include:**
  - **Reducing average parent fees for families with children in kindergarten or younger by up to an additional $550 (up to $900 total) per month per child, through the enhanced Child Care Fee Reduction Initiative (CCFRI);**
  - **Almost 14,000 early childhood educators (ECEs) working at over 3,400 licensed child care facilities**

benefited from the $4/hour ECE Wage Enhancement so far in 2022-23, helping raise the median ECE wage to $26 per hour;

- **Supporting over 241 providers, representing over 5,400 spaces, through the Start-Up Grant program;**
- **Increasing funding for Supported Child Development (SCD) and Aboriginal Supported Child Development (ASCD) by $31.8M through the federal agreements – in addition to existing annual funding of $80M ($70M provincial and $10M federal), supporting the provision of inclusive child care services to approximately 1,500 more children;**
- **Expanding the Aboriginal Head Start (AHS) program by almost 850 child care spaces, for a total of almost 1,500 spaces provincewide, providing no-fee child care to Indigenous families; and**
- **Completing the transfer of responsibility for child care from the Ministry of Children and Family Development to the Ministry of Education and Child Care (ECC), further supporting the integration of child care within the broader learning environment**

- **Years 6-8 of the plan (2023-24 to 2025-26) will focus on actions that will support a full implementation of the ChildCareBC Plan by Year 10 (2027-28), including actions across all pillars of affordability, accessibility, quality, inclusion and supporting Indigenous-led child care.**

If asked about progress on the number of child care spaces operating:

- Since the launch of ChildCareBC in 2018, the number of child care spaces available to families has increased from 111,000 to 138,299 (so far in 2022-23), This includes spaces funded under either the Child Care Operating Funding Program or the $10 a Day ChildCareBC program, and represents an increase of 27,299 licensed child care spaces.

Current Access to Child Care Spaces

Fiscal Year	Child Care Spaces Participating in ECC programs	Year over Year Change	Cumulative Change
2017-18	111,000		
2018-19	114,632	3,632	3,632
2019-20	120,947	6,315	9,947
2020-21	125,738	4,791	14,738
2021-22	131,997	6,259	20,997
2022-23 YTD	**138,299**	**6,302**	**27,299**

Source: Child Care Operating Funding (CCOF) program database. $10 a Day ChildCareBC site program database.
Note: CCOF data as at 3 Jan 2023. $10 a Day data as at 18 Jan 2023. The 2022-23 YTD result was calculated using April to December 2022 data.

- The provincial government, with support from the federal government, has funded the creation of over 31,800 new child care spaces through capital grants and incentive funding, with 11,800 of these spaces open and 20,000 more spaces in development or construction.
- The increase in child care spaces has been shared across both not-for-profit and private child care providers.

If asked about the role of private providers in the future-state child care system in B.C.

- As we continue building child care as a core service for families, there is a place for all types of child care providers, including private providers.
- Government provides a variety of funding programs supporting private and non-profit group providers, including Child Care Operating Funding, the Child Care Fee Reduction

initiative, the Early Childhood Educator (ECE) Wage Enhancement, and ChildCareBC $10 a Day Centres.

- The only source of funding not available to private providers is the New Spaces Fund, as investments in child care facilities will focus on spaces that are run by public and non-profit organizations.
- That's because these public facilities will remain in communities over the long term.
- This approach also aligns with recommendations from the Provincial Child Care Council, child care advocates, and with direction from our federal partners.
- We will continue to support the operations of all types of child care providers – from public and private, to Indigenous-led, non-profit and family run – as they each play an important role in providing quality, inclusive care for children and choice for families.
- As part of the recent fee reductions, provider payments were doubled and, in some cases, quadrupled to further support participating child care providers, including private operators.

If asked about the 3% annual parent fee increase cap

- Our fee reductions of up to $900 per month per child are an important step in ensuring child care is affordable for families, and we know providers need support too.
- The 3% parent fee increase limit is intended to make future fee increases for families remain relatively low, stable and predictable, while recognizing that providers may also need to increase their fee levels over time to reflect their operating costs.
- This is why, in addition to the fee reductions for families, we are also supporting providers through enhanced provider payments to help cover some of their operational costs, so that providers are supported to participate in the CCFRI and

provide quality care for children.

- When combined with the enhanced provider payment amounts, the parent fee increase limit of 3% will provide enough funding to cover the amount of revenue that providers would have otherwise collected through an average increase to parent fees.
- The ministry continually considers feedback and evaluates the effectiveness of all of our programs, and will adjust in future years as required.

If asked about a lack of child care spaces in B.C.

- Affordable child care is life changing for families and good for our communities and our economy as a whole, and we understand how challenging it can be for families who cannot access child care.
- That's why, since 2018, the Province has invested $3.9 billion in our 10-year ChildCareBC Plan to build a future where affordable, accessible, quality, inclusive child care is a core service that families can rely on.
- Since the launch of ChildCareBC in 2018, and with support from the federal government, the Province has funded the creation of more than 31,800 new child care spaces
- 11,800 of these spaces are now open and more than 20,000 additional spaces are in development or under construction.
- In addition to spaces created through capital funding, the sector has also been able to expand thanks to workforce supports and increased operational funding.
- Overall, this has led to an increase of 27,300 licensed child care spaces open and available to B.C. families and participating in provincial funding programs since the start of ChildCareBC – from 111,000 child care spaces in 2017-18 to 138,300 so far in 2022-23.
- In addition, there are almost 1,500 Aboriginal Head Start

spaces in the province, with more than 200 spaces being added this spring.

- We continue to invest in the construction of new child care spaces through our existing space creation projects. We are also exploring opportunities to create child care spaces on public land, including schools, hospitals, medical centres, government offices and post-secondary institutions.
- We know there is more work to do and we continue to invest in the development of quality child care spaces, which takes time.
- Building affordable accessible, quality and inclusive child care as a core service that families can rely on represents the largest social policy shift our province has seen in decades – and it will take time to get this right for families.

If asked about ECE workforce and shortages

- Early childhood educators (ECEs) are skilled professionals who provide care, connection and learning environments for our children at some of the most important times in their lives.
- That's why, in 2018, we launched the Early Care and Learning Recruitment and Retention Strategy, which is helping with the cost of education, enhancing wages and providing better access to training and professional development, and streamlining pathways for international ECEs.
- Under this strategy, provincial and federal investments have enabled a suite of recruitment and retention initiatives targeting the full ECE career pathway.
- Ensuring early childhood professionals are fairly compensated for their important work is a key part of B.C.'s plan for supporting retention.
- More than 14,000 ECEs working at over 3,400 licensed child

care facilities benefited from the $4 per hour ECE Wage Enhancement in 2021-22, helping raise the median ECE wage to $26 per hour as of 2022-23.

- B.C. has also committed to developing and implementing a wage grid for early childhood professionals. Work to deliver on this commitment is underway.
- B.C. is also investing in initiatives to provide those interested in the ECE profession better access to post-secondary education to increase the number of qualified professionals working in the field, to support well-staffed child care programs, and to help reduce burnout and stress for long-serving educators.
- These initiatives also support existing professionals to upgrade their education and advance their careers.
- Since summer 2018, the ECE Education Support Fund has awarded approximately 12,500 bursaries to over 6,500 ECE students to help cover the costs of their education.
- Investments since 2018 have funded 1,713 student spaces across 16 public post-secondary institutions, including work integrated learning programming, which allows students to remain employed while pursuing higher education.
- Government will be expanding this further starting in 2023-24 through the Future Ready Skills Plan.
- Finally, B.C. is supporting early childhood professionals to pursue ongoing professional learning and peer mentoring, helping to establish and support the ECE workforce as professionals and giving them opportunities to connect and receive support from their diverse colleagues.

BACKGROUND:

Affordability:

- Since 2018 and to December 31, 2022, the Province has invested $2.1 billion to make child care more affordable for parents – particularly for families with infants, toddlers and children aged 3 to 5 years, which are typically the most expensive types of care.
- In Budget 2022, additional funding was committed over three years to continue

supporting the implementation of the ChildCareBC Plan, including targeted supports for improving parent affordability, such as:
    - Expanding the number of $10 a Day ChildCareBC spaces to over 12,700 as of February 2023 (through a combination of provincial and federal funding).
    - Reducing average parent fees for children age 5 and under (accessing non-$10 a Day spaces) at more than 76,000 spaces to $23 per day in Dec 2022, from $53 per day before any government supports.
    - Reducing fees for preschool and school-age children by up to $145 per child per month in September 2023.

Accessibility:

- Various space creation initiatives, including the ChildCareBC New Spaces Fund, the Start-Up Grants program, and funding for child care in Neighbourhood Learning Centres, are helping us reach our goals by helping fund more spaces quickly throughout the province.
- Since the launch of ChildCareBC in 2018, the provincial government, with support from the federal government, has funded over 31,800 new child care spaces, with 11,800 of these spaces open and 20,000 more spaces in development or construction. This funding is focused on community investments that are long-term and run by public and non-profit institutions.

Quality:

- We cannot achieve our goals under ChildCareBC without a qualified workforce, and demand for early childhood professionals is expected to continue growing as more child care spaces are built and operationalized.
- As part of our 10-year ChildCareBC Plan, we launched a recruitment and retention strategy in 2018 and have made progress, such as:
    - Providing a $4 per hour wage enhancement to almost 14,000 ECEs, working in more than 3,400 facilities, bringing the median wage to $26 per hour.
    - Providing approximately 12,500 bursaries to more than 6,500 ECE students to help cover the costs of their education.
    - Creating 1,713 ECE student spaces at 16 public post-secondary institutions across the province.
    - Prioritizing international ECEs under the Provincial Nominee Program – which creates immigration pathways for ECEs and helps employers secure staff.
    - Investing in new ECE dual-credit programs in 30 school districts throughout B.C. so students in Grades 11 and 12 can get a head start on their ECE post-secondary training while earning credits to graduate from high school.
- The number of new ECEs has been trending upward, and we're seeing positive indicators for retention.

Indigenous-led Child Care:

- Our plan includes a commitment to ensure Indigenous children and families have full access to child care in B.C., and to partnering with Indigenous Peoples in building culturally relevant child care that meets the unique needs of Indigenous families.
- The ministry supports a number of initiatives supporting Indigenous-led child care with a total investment of $20.4M for 2022-23 in provincial funding, and $82.7M for $2022-23 funded from the federal agreements.
- Additionally, nearly 2,100 new, licensed Indigenous-led child care spaces have been created since 2018 through the ChildCareBC New Spaces Fund.
- Aboriginal Head Start (AHS) is evidence-based early learning and child care

programming for Indigenous children aged 0 to 6 years and their families. Using a culturally relevant curriculum that includes language and culture, nutrition, school readiness and social supports, AHS provides wraparound family support and inclusion services at no cost to Indigenous families.

- Since 2018, and based on the results of community engagement, the Province has partnered with the First Nations Health Authority (FNHA) (for on-reserve AHS sites) and the BC Association of Aboriginal Head Start Association (AHSABC) (for off-reserve AHS sites), to support the creation/conversion of 1,481 AHS spaces province-wide with more than 200 spaces being added in Spring 2023.

Inclusive Child Care:

- Inclusive child care means that all children – regardless of their background or abilities – can fully participate in early learning and child care activities.
- Demand for SCD and ASCD is high and will continue to increase as new child care spaces are created. Government is expanding supports and building sector capacity to respond to this demand.
- In 2021-22, $11M in provincial one-time-only funding was provided to SCD and ASCD programs to support increased access to inclusive child care.
- In 2022-23, total funding reached $41.8M, an increase of $31.8M from 2021-22.
  - Of this, $26.8M from the Bi-lateral ELCC agreement and $15M from the Canada-Wide ELCC Agreement.
- Since 2017-18, nearly 2,000 more children are being served annually and the average monthly hours of service per child has increased.
  - In 2021-22, an average of 7,382 children received SCD/ASCD supports each month, and a total of 11,758 unique children were served throughout the year.
  - Enhanced investments beginning in 2022-23 are expected to serve an additional 1,500 children.

Program Area Contact:	ADM Patricia Boyle	(604) 764-8386

2023 Estimates Note
Advice to the Minister

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Children and Youth in Care/Inclusive Education

Title: Children and Youth in Care

Date Revised: February 07, 2023

Key Messages:

- Children and Youth in Care (CYIC) face exceptional circumstances that can have a significant impact on their learning and educational outcomes.
- The Ministry of Education and Child Care (ECC) works closely with the Ministry of Children and Family Development (MCFD) to develop policies, guidelines, and provincial strategies to help improve education outcomes and supports for CYIC.
  - This includes a signed partnership agreement to work jointly on improving outcomes for CYIC andthe *Joint Educational Planning for Children and Youth in Care Cross-Ministry Guidelines*.
- The Ministries also signed a First Nations Children and Youth in Care Protocol, along with the Ministry of Post Secondary Education and Future Skills [PSFS], the First Nations Leadership Council (FNLC), and the First Nations Education Steering Committee (FNESC), which commits the Province and First Nations to work together to improve outcomes for First Nation CYIC and former youth in care.
- ECC also recognizes CYIC as priority learners within the *Framework for Enhancing Student Learning* (FESL).

Key Facts Regarding the Issue:

- In 2017, the Representative for Children and Youth (RCY) released a report, *Room for Improvement: Toward Better Education Outcomes for Children in Care* that outlined recommendations to government for improving educational outcomes for CYIC.
  - The Ministry is working closely with the RCY and across Ministries to address the recommendations in the RCY report.
- The Ministerial Order for the Enhancing Student Learning (M302/20) requires school districts to report to the Ministry on the educational outcomes of CYIC.

Key Outcomes:

- In March 2018, ECC released the report *How Are We Doing? Children and Youth in Government Care* in response to RCY recommendation to publicly report on outcomes.
- In September 2019, ECC & MCFD signed a Partnership Agreement, committing to work jointly on improving outcomes for CYIC.

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Children and Youth in Care/Inclusive Education

- In February 2020, ECC & MCFD released *A Guide to Sharing Information About Children & Youth in Care* to support information sharing between child welfare workers and school personnel regarding children and youth in care (CYIC) and clarify what personal information can be shared under the current legislation. This guide also supports information sharing between caregivers of CYIC and schools.
- In May 2020, ECC, PSFS, and MCFD signed the First Nations Children and Youth in Care Protocol agreement with FNESC and FNLC to improve the educational outcomes of First Nations CYIC and former youth in care through legislative, policy & practice reform.
- In July 2020, *The Framework for Enhancing Student Learning* (FESL) was released to reflect a public commitment by Indigenous peoples, rightsholders, and education partners to work together to continuously improve student learning, and to address long-standing differences in performance amongst particular groups of students. Priority learners include Indigenous students, students with disabilities and diverse abilities and CYIC.
- In March 2021, ECC published online resources for teachers, school administrators and caregivers to support students in care in educational settings.
- In July 2021, *The Joint Educational Planning for Children and Youth in Care Cross-Ministry Guidelines* were updated to identify how to provide wrap around support for CYIC. ECC and MCFD have committed to update these guidelines every three (3) years.

Statistics:

- In 2022/23, 1,438 students were identified as CYIC, or approximately 0.2% of B.C. K-12 students (2022/23 -Public = 590,585)
- Of these 1,438 students, approximately:
  - 72% are designated in one of 12 Inclusive Education categories.
  - 80% self-identify as Indigenous.
  - 57% are designated in an Inclusive Education category and self-identify as Indigenous, compared to 3% of non-CYIC students.
- Six-year completion rates (Resident Only):
  - Increased from 53% in 2017/18 to 58% in 2021/22 for all CYIC.
  - Increased from 50% in 2017/18 to 60% in 2021/22 for Indigenous CYIC.
  - Decreased from 56% in 2017/18 to 55% in 2021/22 for Non-Indigenous CYIC.

Funding:

- In 2021/22, boards of education received $55.2M in CommunityLINK funding to support vulnerable students.
  - CommunityLINK (Learning Includes Nutrition and Knowledge) supports social functioning and academic achievement through funding to school districts for programs and services focused on vulnerable students.

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Children and Youth in Care/Inclusive Education

  - Being in government care is one of the indicators of vulnerability within the CommunityLINK funding formula.
- For the 2022/23 school year, $24M in Equity of Opportunity Supplement funding was distributed to boards to support additional services to students including non-clinical mental health supports for CYIC.
  - An estimated $24M Equity of Opportunity Supplement will be distributed to boards of education in 2023/24.

Delivery Partners:

1. Ministry of Children and Family Development (MCFD) & Ministry of Post Secondary Education and Future Skills (PSFS)
2. School Districts
3. First Nations Education Steering Committee (FNESC)
4. First Nations Leadership Council (FNLC)
5. Education Partners and Stakeholders

Agreements:

- Information sharing agreement (ISA) with ECC, MCFD and PSFS that allows for CYIC data to be shared to support program planning and evaluation and decisions related to funding and services.
- The Ministry has an additional ISA with MCFD that was signed February 26, 2021. Under this ISA, ECC can release to school districts unmasked, aggregate CYIC data (counts and percentages) on the educational measures outlined in the Enhancing Student Learning Ministerial Order.

Contact: *Jennifer Halbert, Director, Inclusive Education, LEPD, (250) 812-4715*

2023 Estimates Note
Advice to the Minister

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Inclusive Education/ Learning and Education Programs

Title: Students with Disabilities or Diverse Abilities-Public and Independent

Date Revised: January 30, 2023

Key Messages:

- The ministry is committed to ensuring equitable access to learning for *all* students including students with disabilities/diverse abilities.
- All students and staff should feel safe, welcomed and respected within their school environments.
- Nothing is more important than ensuring every child is supported to reach their full potential and our government is committed to removing barriers standing in their way.
- We know there is more work to do to ensure students' needs are being taken care of and that all students are able to access the supports and services they require to thrive in school.
- Our government is continuing to work on changes and improvements that will make B.C.'s world-class education system even better – for everyone.

Key Facts Regarding the Issue:

- The *Special Education Policy* (last updated 2006) and *Special Education Services: A Manual of Policy, Procedures and Guidelines (*last updated 2016) provide direction for inclusive education in BC's K-12 education system.
  - The *Special Education Policy*, which was originally developed in 1999 to support "integration" of students with disabilities and diverse abilities, utilizes a system of designating students in one of twelve Funding Categories based solely on a student's medical diagnosis and diagnosis characteristics.
  - Numerous stakeholders, including parents, K-12 partners, Indigenous rightsholders and advocacy organizations, have expressed concerns that the policy and manual are outdated and do not reflect current language, research and legislation related to students with disabilities or diverse abilities.
- The Ministry provides boards of education with basic funding (for every student) and supplemental funding (for students who meet criteria for designation in of twelve "Special Needs" categories) to deliver educational programs to all students in the school district.
  - The twelve Special Needs categories are comprised of 4 high incidence and 8 low incidence categories organized into three different funding levels (see Appendix 1 for more details).

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Inclusive Education/ Learning and Education Programs

  - Funding for high incidence categories (mild intellectual disability, gifted, learning disability or moderate behaviour support/mental illness) is incorporated in the basic per pupil allocation for all students.
  - A medical diagnosis or designation in one of the twelve categories is not required for students to access non-categorical supports and services (e.g. learning assistance, speech language pathology services, counselling, physiotherapy, occupational therapy, hospital-homebound services, and assessment services) in the BC K-12 public school system. However, stakeholders have raised concerns about schools districts aligning their provision of supports and services with the funding categories, resulting in students experiencing lengthy wait times for assessments and not having their needs met in terms of receiving a full educational program.
- Teachers' collective agreements contain limits pertaining to both class size and composition.
  - "Composition" refers to the number of students with disabilities in a class, and is currently based on student designations in the twelve Special Needs categories.
  - In addition to composition language in the provincial collective agreement with teachers, there are also unique provisions related to composition in 40 of the 60 local collective agreements with teachers.
  - Stakeholders have identified that, as a result of different provisions in the provincial and local collective agreements, school districts across the province are organizing their classrooms in different ways.
- Inclusive Education Policy Context Chronology:
  - In 2012, the Supreme Court of Canada's decision in the *Moore vs B.C.* case established that students with disabilities are entitled to receive the accommodation measures they need to access and benefit from the service of education.
  - Between 2015-2018, the Ministry engaged clinical experts, K-12 stakeholders and Indigenous rightsholders to update the Special Education Policy and Manual.
  - In December 2018, and Independent Review Panel presented a final report to government with 22 recommendations to improve funding for public education. Recommendation #6 was to create a single Inclusive Education supplement.
    - In 2020, the Ministry announced a two-phase plan for implementation of the Panel's recommendations. Recommendation 6 was not included among the twelve recommendations selected for implementation in Phase 1 (2020/21 school year).
    - While a formal timeline was not established for Phase 2, the Ministry publicly committed to "modernize inclusive education policies and the way services are delivered and funded, so all students have a level playing field".

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Inclusive Education/ Learning and Education Programs

  - In April 2021, the Representative for Children and Youth released *Excluded: Increasing Understanding, Support and Inclusion for Children with Fetal Alcohol Spectrum Disorder*, which included a recommendation for the Ministry to update its Inclusive Education policy and supporting documents.
- In 2022/2023, there are 13 independent schools that are designated Special Education Schools who exclusively serve students with disabilities/diverse abilities with an educator: student ratio of 1:6 or less.

Key Outcomes:

- Curriculum supports inclusion by providing flexibility, personalized learning and addressing the diverse needs and interests of students.

Statistics:

- In 2022/2023, 12.7% of B.C.'s student population were designated in an Inclusive Education category (Chart on page 4 outlines the changes over the past five years).
- 76,301 students with disabilities/diverse abilities (special needs) in public schools in 2022/2023, up 4.9% from 2021/2022
- 10,314 students with disabilities/diverse abilities (special needs) in independent schools in 2022/2023, up 2.6% from 2021/2022.
- Categories with the largest increases in designated students were:
  - Autism Spectrum Disorder (G) 21,438 students (Public and Independent) in 2022/2023, up from 18,890 students in 2021/2022 (13.0%).
  - Moderate Behaviour Support/ Mental Illness (R) 8,669 students (Public and Independent) in 2022/2023, up from 8,006 students in 2021/2022 (8.3%).
  - Learning Disability (Q) 24,993 students (Public and Independent) in 2022/2023, up from 24,025 students in 2021/2022 (4.0%)
- The 2021/2022 Six Year Completion rates for students with disabilities/diverse abilities (special needs) is 77.8% (77.5% Public, 81.4% Independent).

Funding:

- 2022/23 - $878M in Supplemental Funding for students with disabilities and diverse abilities (See Appendix 1 for detailed breakdown).

Agreements:

- The Inter-Ministerial Protocols for the Provision of Support Services to School Age Children support and guide coordinated delivery of effective services.

Contact: *Jennifer Halbert, Director, Inclusive Education, (250) 812-4715*

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Ministry: Ministry of Education and Child Care
Program/Program Area Name: Inclusive Education/ Learning and Education Programs

INCLUSIVE EDUCATION CATEGORIES Changes Year over Year 2016/2017 to 2022/2023

Public Schools – Inclusive Education -Year Over Year

Year	All Public School Students	Level 1	Level 2	Level 3	Block Funding	All Students with disabilities/ diverse	All Students with disabilities/ diverse abilities (% increase)	Students with disabilities/ diverse abilities percentage of K-12 students
2017/2018	563,240	566	20,948	7,976	32,417	61,907	4.5%	10.99%
2018/2019	568,982	573	22,458	8,412	33,421	64,864	4.8%	11.40%
2019/2020	576,000	585	24,263	8,718	34,670	68,236	5.2%	11.85%
2020/2021	568,285	582	25,352	8,443	34,339	68,716	0.7%	12.09%
2021/2022	578,799	587	27,349	8,421	36,382	72,739	5.9%	12.57%
2022/2023	590,586	572	29,454	8,649		76,301	4.9%	12.92%

Independent Schools – Inclusive Education -Year Over Year

Year	All Independent School Students	Level 1	Level 2	Level 3	Block Funding	All Students with disabilities/ diverse	All Students with disabilities/ diverse abilities (% increase)	Students with disabilities/ diverse abilities percentage of K-12 students
2017/2018	84,995	103	3,982	545	3,147	7,777	5.0%	9.15%
2018/2019	86,080	107	4,224	649	3,263	8,243	5.9%	9.57%
2019/2020	87,220	95	4,686	711	3,502	8,996	9.2%	10.31%
2020/2021	87,288	101	5,200	782	3,506	9,589	6.6%	10.98%
2021/2022	88,720	100	5,543	753	3,652	10,048	4.8%	11.33%
2022/2023	89,428	104	5,717	770		10,314	2.65%	11.53%

Provincial - Public and Independent Schools- Inclusive Education -Year Over Year

Year	All K-12 School Students	Level 1	Level 2	Level 3	Block Funding	All Students with disabilities/ diverse	All Students with disabilities/ diverse abilities (% increase)	Students with disabilities/ diverse abilities percentage of K-12 students
2017/2018	648,235	669	24,930	8,521	35,564	69,684	4.5%	10.75%
2018/2019	655,062	680	26,682	9,061	36,684	73,107	4.9%	11.16%
2019/2020	663,220	680	28,951	9,429	38,172	77,232	5.6%	11.64%
2020/2021	655,573	683	30,552	9,225	37,845	78,305	1.4%	11.94%
2021/2022	667,519	687	32,892	9,174	40,034	82,787	5.7%	12.40%
2022/2023	680,014	676	35,171	9,419		86,615	4.6%	12.74%

Ministry: Ministry of Education and Child Care
Program/Program Area Name: Inclusive Education/ Learning and Education Programs

INCLUSIVE EDUCATION FUNDING CATEGORIES

	Funding Amount 2019/20	Funding Amount 2022/23	Letter Descriptor	Category
LOW INCIDENCE CATEGORIES	LEVEL 1 $42,400	LEVEL 1 $44,850 (+1,850)	(A)	Physically Dependent
			(B)	Deafblind
	LEVEL 2 $20,200	LEVEL 2 $21,280 (+880)	(C)	Moderate to Profound Intellectual Disability
			(D)	Physical Disability or Chronic Health Impairment
			(E)	Visual Impairment
			(F)	Deaf or Hard of Hearing
			(G)	Autism Spectrum Disorder
	LEVEL 3 $10,250	LEVEL 3 $10,750 (+ 450)	(H)	Intensive Behaviour Interventions or Serious Mental Illness
HIGH INCIDENCE CATEGORIES	BASIC ALLOCATION $7,468	BASIC ALLOCATION $7,885 (+325)	(K)	Mild Intellectual Disability
			(P)	Gifted
			(Q)	Learning Disability
			(R)	Moderate Behaviour Support/Mental Illness

ADVICE TO PREMIER

CONFIDENTIAL **ESTIMATES NOTE** **Ministry of Education and Child Care** **Date: March 30, 2023** **Date updated: N/A** **Minister Responsible: Rachna Singh**	# Inclusive Education

ADVICE AND RECOMMENDED RESPONSE:

- **The Province is committed to ensuring equitable access to learning for all students, including students with disabilities and diverse abilities.**
- **Nothing is more important than ensuring every child is supported to reach their full potential, and our government is committed to removing barriers standing in their way.**
- **On top of the basic funding provided to boards of education for every student, the Ministry of Education and Child Care provides supplemental funding for students with disabilities and diverse abilities for students identified as meeting criteria for designation in one of twelve Inclusive Education (Special Needs) Funding categories.**
- **Supplemental funding is not targeted to individual students but is used at the discretion of each school district to allocate in ways that better support the unique needs of all students in their district.**
- **Students do not require a medical diagnosis or psycho-educational assessment to determine if they need more support in B.C.'s educational system.**
- **We are committed to removing barriers standing in the way of students reaching their full potential and will continue working to ensure students receive the support they need to succeed and thrive in school.**

ADVICE TO PREMIER

IF ASKED ABOUT FUNDING FOR STUDENTS WITH DISABILITIES:

- The twelve Special Needs funding categories are comprised of 4 high incidence and 8 low incidence categories organized into three different funding levels (see Appendix 1).
- Funding for high incidence categories (which include mild intellectual disability, gifted, learning disability or moderate behaviour support/mental illness) is incorporated into the basic per pupil allocation for all students.
- Funding for low incidence categories is provided to boards of education via supplemental funding.
- Designating a student in a Special Needs funding category for supplemental funding is determined at the local level.
    - School-based teams determine if the student meets the criteria for designation in one of the Ministry's funding categories.
- It is important to note that a medical diagnosis or psycho-educational assessment, on its own, does not determine whether a student should be designated in a Special Needs funding category or the specific supports or services that may benefit a student's learning.
    - School-based teams generally use a suite of tools and assessments (which may include but are not limited to medical diagnoses and psycho-educational assessments) to better understand a student's strengths and needs to plan more effectively for that student.

IF ASKED ABOUT SUPPORTS FOR STUDENTS WITH DYSLEXIA:

- The Province is committed to providing equitable access to quality education for all students, including those with learning disabilities such as dyslexia.
- In British Columbia, our education system recognizes that not all students learn successfully at the same rate, in the same learning environment and in the same ways.
- B.C.'s K-12 educators use a variety of approaches to address

the learning needs of all students in the classroom, including students with dyslexia.

- The Ministry provides boards of education with basic funding (for every student) and supplemental funding (for students who meet criteria for designation in one of eight "Special Needs" categories) to deliver educational programs to all students in the school district.
- This funding is not targeted to individual students.
- It is used at the discretion of each school district to allocate in ways that better support the unique needs of all students in their districts
- Decisions regarding the planning and delivery of supports and services for every student are made by local boards of education, given they know their students best.

BACKGROUND:

Statistics

- In 2022/2023, 12.7% of B.C.'s student population were designated in an Inclusive Education category (Appendix 2 outlines the changes over the past five years).
- 76,301 students with disabilities/diverse abilities (special needs) in public schools in 2022/2023, up 4.9% from 2021/2022
- 10,314 students with disabilities/diverse abilities (special needs) in independent schools in 2022/2023, up 2.6% from 2021/2022.
- Categories with the largest increases in designated students were:
  - Autism Spectrum Disorder (G) 21,438 students (Public and Independent) in 2022/2023, up from 18,890 students in 2021/2022 (13.0%).
  - Moderate Behaviour Support/ Mental Illness (R) 8,669 students (Public and Independent) in 2022/2023, up from 8,006 students in 2021/2022 (8.3%).
  - Learning Disability (Q) 24,993 students (Public and Independent) in 2022/2023, up from 24,025 students in 2021/2022 (4.0%)
- The 2021/2022 Six Year Completion rates for students with disabilities/diverse abilities (special needs) is 77.8% (77.5% Public, 81.4% Independent).
- In 2022/23, both the basic per pupil funding and supplemental funding have increased 9.4%.

ADVICE TO PREMIER

Supports and Services for Students with Disabilities and Diverse Abilities

- The provincial K-12 curriculum supports inclusion by providing flexibility, personalized learning and addressing the diverse needs and interests of students.
- A medical diagnosis or designation in one of the twelve Special Needs categories is not required for students to access non-categorical supports and services (e.g. learning assistance, speech language pathology services, counselling, physiotherapy, occupational therapy, assessment services, and hospital homebound services) in the BC K-12 public school system.
- Confusion and misconceptions among parents include that psycho-educational assessments and designations are required to get supplemental funding for supports and services for their child.
    - Psycho-educational assessments are part of the non-categorical supports and services which are funding through the Basic Allocation per student.
    - Psycho-educational assessments are just one piece of information that may be used by school-based teams to support individual student needs.
    - School districts have internal procedures to determine the path for students to be provided with a formal assessment.
- Supplemental funding for students with learning disabilities was provided up until the 2001/02 school year.
    - At the time, school districts were capped at a maximum of 4 percent of total enrolment being funded as learning disabilities or high incidence special needs.
    - With nearly every district exceeding that 4 percent threshold, this supplement was effectively provided based on total district enrolment.
- The operating grant formula changed in 2002/03: several separate funding categories were combined into a larger Basic Allocation, the base per student grant, with nearly all targets and caps removed.
    - At that time, funding for special needs, including for learning disabilities and high incidence special needs, totaled $248.5 million.
    - With the Basic Allocation increasing by nearly 50 percent over the past 20 years, funding to support high incidence special needs, including learning disabilities, would now represent close to $370 million of the operating grant block.
- 2022/23 - $878M in Supplemental Funding for students with disabilities and diverse abilities (See Appendix 3 for detailed breakdown).

Dyslexia Screening/ Early Intervention

- In British Columbia, screening policies, funding, the selection of educational programs, and resource procurement decisions are made at the district and classroom level.
- The planning and decisions on the appropriate supports and services provided to a student with a disability or diverse ability should be student-centered and use a strength-based approach.
- In the K–12 public school system educators use a variety of approaches such as universal design and differentiated instruction to address the learning needs of all students in the classroom.

Class Size and Composition/Jackson Arbitration

- Teachers' collective agreements contain limits pertaining to both class size and composition.
- "Composition" refers to the number of students with disabilities in a class and is currently based on student designations in the twelve Special Needs funding categories.

ADVICE TO PREMIER

- In addition to composition language in the provincial collective agreement with teachers, there are also unique provisions related to composition in 40 of the 60 local collective agreements with teachers.
- In May 2019, BCPSEA brought a grievance to Arbitrator Jackson, with decisions being provided on August 28, 2019
- BCPSEA's lawyers successfully argued that the restored class size and composition language should be interpreted using the definitions of special education designations in place in 2001, not those currently in place, i.e. classes being constituted using collective agreement language from 2001 should be implemented as if it was 2001, not 2019.
- As such the restored collective agreement language must be interpreted using the definitions of special education designations from the 1995 Ministry of Education Special Education Manual, which is more restrictive than the current manual and uses professional practice and guidelines from that era.
- Advice/Recommentations

- The Jackson Arbitration only applied to the implementation of the restored collective agreement language, not to the claiming of students with disabilities and diverse abilities for supplemental funding.
- As there is no supplemental funding for students designated in Special Needs Category Q (Learning Disabilities), as funding for this category is included in the Basic Allocation, there is no supplemental funding impact on any change to the definition of Category Q.
- The Jackson Arbitration is a legal ruling, sought by BCPSEA on behalf of Boards of Education. As such the Ministry supports the binding legal judgement made by Arbitrator Jackson.

Program Area Contact:	Jennifer Halbert, Director, Inclusive Education, LEPD	(250) 812-4715

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APPENDIX 1 – SPECIAL NEEDS FUNDING CATEGORIES

	Funding Amount 2019/20	Funding Amount 2022/23	Letter Descriptor	Category
LOW INCIDENCE CATEGORIES	LEVEL 1 $42,400	LEVEL 1 $44,850 (+1,850)	(A)	Physically Dependent
			(B)	Deafblind
	LEVEL 2 $20,200	LEVEL 2 $21,280 (+880)	(C)	Moderate to Profound Intellectual Disability
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			(P)	Gifted
			(Q)	Learning Disability
			(R)	Moderate Behaviour Support/Mental Illness

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Appendix 2: Special Needs Categories - Changes Year over Year (2016/2017 to 2022/20230

Public Schools – Inclusive Education -Year Over Year

Year	All Public School Students	Level 1	Level 2	Level 3	Block Funding	All Students with disabilities/ diverse	All Students with disabilities/ diverse abilities (% increase)	Students with disabilities/ diverse abilities percentage of K-12 students
2017/2018	563,240	566	20,948	7,976	32,417	61,907	4.5%	10.99%
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2022/2023	590,586	572	29,454	8,649		76,301	4.9%	12.92%

Independent Schools – Inclusive Education -Year Over Year

Year	All Independent School Students	Level 1	Level 2	Level 3	Block Funding	All Students with disabilities/ diverse	All Students with disabilities/ diverse abilities (% increase)	Students with disabilities/ diverse abilities percentage of K-12 students
2017/2018	84,995	103	3,982	545	3,147	7,777	5.0%	9.15%
2018/2019	86,080	107	4,224	649	3,263	8,243	5.9%	9.57%
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2021/2022	88,720	100	5,543	753	3,652	10,048	4.8%	11.33%
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Provincial - Public and Independent Schools- Inclusive Education -Year Over Year

Year	All K-12 School Students	Level 1	Level 2	Level 3	Block Funding	All Students with disabilities/ diverse	All Students with disabilities/ diverse abilities (% increase)	Students with disabilities/ diverse abilities percentage of K-12 students
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2022/2023	680,014	676	35,171	9,419		86,615	4.6%	12.74%

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CONFIDENTIAL **ESTIMATES NOTE** **Ministry of Education and Child Care** **Date: March 30, 2023** **Date updated: N/A** **Minister Responsible: Rachna Singh**	**Capital Investments in Schools**

KEY MESSAGES:

- **After years of underfunding, we are making historic investments in school capital projects to give students the best educational experience possible.**
- **Since September 2017, we have announced $3.2 billion for 144 projects that includes new schools, expansions, seismic upgrades, and property purchases for future schools.**
- **We are working hard to meet enrolment demand in growing neighbourhoods. We've allocated more than $1.5 billion to add approximately 20,000 new seats where they are needed most.**
- **That's eliminating the need for over 800 portables, giving students positive, engaging, and inspiring classrooms that connect them to their school communities.**
- **It also includes more than $1.3 billion for 60 seismic upgrades and replacements province-wide that will give nearly 33,000 students a safer place to go to school.**
- **Families are now seeing the results of this work, with 19 new and improved schools that opened in Fall/Early Winter 2022 alone.**
- **To plan for future growth, we've invested in 18 school sites to make sure land is available to build new schools when they're needed.**

ADVICE TO PREMIER

- **We know B.C. is a great place to raise a family, and communities throughout the province are seeing an increase in new students enrolling.**
- **To support families and ensure that kids have access to safe, modern schools close to home we will continue to make historic investments and work with all 60 school districts to provide students with supportive learning environments that help them thrive.**

BACKGROUND:

Capital Overview:

- Since September 2017, the government has announced $3.2 billion for new and improved schools as well as land purchases for future schools throughout the province.
- This includes adding almost 20,000 new student spaces and 33,000 seismically safe seats at B.C. Schools.

Budget 2023:

- Budget 2023 provides $2.95 billion in provincial capital funding ($3.4 billion including school district contributions) to school districts over the next 3 years.
- This is over a $300 million increase in provincial capital funding for school districts compared to Budget 2022.
- Budget 2023 consists of: $1.52 billion for expansion/replacements capital projects (new schools, replacement schools, additions, sites, etc.), $763 million for seismic capital projects and $669 million for routine capital projects (maintenance).

Table 1: Budget 2023

Program	23/24	24/25	25/26	Total
Seismic	$245,038,000	$260,048,000	$258,244,000	$763,330,000
Routine Capital	$229,018,000	$221,236,000	$218,600,000	$668,854,000
Expansion and Replacement	$390,842,000	$513,411,000	$616,893,000	$1,521,146,000
Total	$864,898,000	$994,695,000	$1,093,737,000	$2,953,330,000

- $261.1 million in funding is being provided for school minor capital projects (boiler upgrades, roof replacements, etc.) in 23/24. This includes:
    - $147.1 million from the Annual Facilities Grant which is an increase of $26.6 million compared to last year;
    - $23 million in Carbon Neutral Capital funding to support energy and electrical upgrades at 86 schools;
    - $65 million in School Enhancement Program funding to support projects across all 60 school districts;
    - $5 million in Playground Equipment Program funding to support 25 universally accessible playgrounds;

  - $13 million will go towards the purchase of at least 67 new school buses; and,
  - $8 million in Building Envelope Program funding to support building remediation projects.
- As part of 23/24, $41 million in funding will go towards upgrades to HVAC systems at 101 schools.
- Overall, 2023/24 ($261.1 million) will have a funding increase of $19.6 million compared to 2022/23 ($241.5 million) for the minor capital projects.

Advice/Recommentations

Advice/Recommentations

Enrolment:

- Student enrolment in the province declined for many years until 2015/16 and has subsequently rebounded.
- In 2015/16, student enrolment was 553,376 and it is forecasted to increase by over 100,000 to 661,637 by 2031/32.
- International migration and other demographic trends are accelerating enrolment increases in communities across the province, including across the Lower Mainland.
  - The last eight school years have seen September enrolment in public schools increase by an estimated 37,209+ students.
  - An additional 37,000+ students are forecasted by 2026/27, with a further 33,000+ students forecasted by 2031/32.
- The majority of enrolment growth in the province is concentrated in the Lower Mainland along with Greater Victoria, Kelowna and Kamloops.

Table 3: Student Enrolment (K-12) For Public Schools (Actual and Forecasted)

School Year	Enrolment Total (K-12 Headcount)	# Change (Difference from 2015/16)	% Change (Difference from 2015/16)
2015/16	553,376	-	-
2022/23	590,585	+37,209	6.7%
2026/27	627,727	+74,351	13.4%
2031/32	661,637	+108,261	19.6%

Program Area Contact:	Francois Bertrand, Executive Director, Capital Management Branch	250 415-1970
	Jeremy Higgs, Executive Director, Education Analytics Office	250 217-9398

2023/24 ESTIMATES NOTE

Atmospheric River Costs (ARE) and Disaster Financial Assistance Arrangements (DFAA)

Key Messages/Suggested Response:

2021 DFAA Event Related Costs:

- Cost associated with the 3 weather events which impacted BC in 2021 are forecasted at $5.3 billion and represents about 80% of the total estimated costs of all 9 events.
    - 2021 Atmospheric River Event (ARE) - $3.4B
    - 2021 Wildfires - $430M
    - 2021 Spring Flood and Landslides - $1.5B

- As of FY 22/23-Q3, BC has spent approximately $703 million responding to and recovering from the 2021 Atmospheric River Event.

Active DFAA Claims:

- The Province has 9 active DFAA claims for events dating back to 2016.

- The estimated provincial expenditure associated with the response and recovery from these events is $6.6 billion. Of this amount, the Province expects up to $5.6 billion (85%) will be recovered from the federal government, through cost sharing from the DFAA program.

Background:

DFAA Overview:

- The Province submits advance and interim payment requests to the federal government as recovery work progresses. An advance payment of up to 50% of the eligible federal share can be received within the first year of an event and then an interim payment request can provide up to 60% of the total federal share. These advance and interim payment requests are assessed by Public Safety Canada against the Province's estimate of the total eligible event costs.

- Once the federal government determines the eligibility of a disaster event through the issuance of an Order in Council (OIC), British Columbia has five years from the date of the OIC, to submit its final claim and confirm the amount of remaining federal cost-share eligible for reimbursement based on an audit of costs submitted.

- Under DFAA, the federal government partially reimburses provincial costs associated with response and recovery activities. This includes both direct provincial costs and supports provided through provincial disaster relief programs such as Disaster Financial Assistance and the Canada-BC Flood Recovery Program for Food Security, supporting the agriculture sector.

ARE Costs:

- The initial provincial cost estimates in February 2022 for the ARE was over $4 billion. As of FY 22/23-Q3, the provincial cost is forecasted to be $3.4 billion, of which $3 billion (88%) may be eligible for reimbursement from the federal government through the DFAA program. The total cost will continue to be refined as the Province determines the scope of the specific recovery projects required to recover critical infrastructure impacted by this event.

- The majority of the costs from the ARE relate to ongoing recovery activities to repair or rebuild critical highway infrastructure ($3 billion), debris removal and clean-up from watercourses and to support local governments and First Nations, citizens, small businesses, farms and charitable organizations with assistance to recover.

- Response costs incurred to date from the ARE is approximately $400 million for emergency response activities and supporting evacuees.

- The federal government's $5 billion commitment to B.C. back in early 2022 was in support of four DFAA-eligible disasters in British Columbia: the 2021 November Rainstorm, the 2021 Wildfire, 2020 and 2021 Spring Floods and Landslides.

- As of March 31, 2023, the federal government has provided BC with $1.026 billion in advance payments through DFAA for the atmospheric river recovery efforts and a further $612 million for the other 3 events: 2021 Wildfire, 2020 and 2021 Spring Flood and Landslides.

	(In Millions)			
Event	**1st Advance Payment**	**2nd Advance Payment**	**DFAA Funding Received**	
2021 November Rainstorm	$469	$557	$1.026	
2021 Wildfire	$208		$208	} $612
2021 Spring Flood and Landslides	$355		$355	
2020 Spring Flood and Landslides	$49		$49	
Total	**$1.081**	**$557**	**$1.638**	

DFAA Forecasted Costs and Federal Funding Received:

DFAA Event Name	(In Millions)			
	Total Estimated Cost of Event	Federal Share	Provincial Share	Advance/ Interim Received
2021 Atmospheric River Event (Nov Rainstorm)	3.380	2.991	389	1.026
2021 Wildfires	430	353	77	208
2021 Spring Flood and Landslides	1.461	1.281	180	355
2020 Spring Flood and Landslides	220	165	55	49
2018 Wildfires	180	130	50	66
2018 Spring Freshet	238	183	55	
2017 Wildfires	403	332	71	192
2017 Spring Freshet	115	73	42	
2016 June Floods	140	96	44	42
TOTAL FORECAST EVENTS	**$6.567**	**$5.604**	**$963**	**$1.938**

Contact: Alex Chandler Corporate Support Services	Phone: 778-698-1542	Mobile: Government Financial

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2023/24 ESTIMATES NOTE

Atmospheric River Recovery - Regional

Key Messages/Suggested Response:

- EMCR is actively supporting communities impacted by the 2021 Atmospheric River Event through a holistic and community-led approach to recovery.
- EMCR provides direct support to individuals and communities after disaster events through its existing programs such as funding response activities, cost-sharing repair and rebuild of public infrastructure, and direct financial assistance to homeowners, businesses, farms, and charitable organizations through Disaster Financial Assistance.
- Outside of EMCR's established programs, the province has also provided funding to communities recovering from the Atmospheric River Event to ensure key recovery and resiliency activities are supported. This includes $1.23 million provided for Community Recovery Managers in impacted communities, interim housing solutions and flood mitigation studies in Merritt and Princeton.
- Outside of government programming, evacuees continue to receive financial assistance for basic needs and temporary accommodation as well as case management through the Canadian Red Cross.
- Many impacted communities are transitioning from acute and short-term recovery actions to longer term recovery and resiliency planning with a focus on mitigation and climate readiness. This includes:
    - Updating flood mapping (i.e., City of Hope, Semiahmoo First Nation)
    - Developing comprehensive flood mitigation plans (i.e., Merritt and Princeton)
    - Supporting regional partnerships focused on watershed and flood resiliency strategies (i.e., Hatzic Lake regional watershed recovery table)
    - Developing medium and long- term multi-sectoral recovery plans
    -

City of Abbotsford:

Over $86 million has been committed to the City and residents of Abbotsford through provincial recovery programs and one-time funding		
$12.7 million	Direct financial support to homeowners, tenants, small businesses, charitable organization, and farms through DFA	EMCR
$5.4 million	19 infrastructure projects approved through DFA	
$62 million	Build a new well and water-treatment system ensuring reliable water service for more than 165,000 people.	MUNI
$6.85 million	Complete flood recovery activities	

February 28, 2023

City of Merritt:

Over $38 million has been committed to the City and residents of Merritt through provincial recovery programs and one-time funding		
$9.9 million	Direct financial support to homeowners, tenants, small businesses, charitable organization, and farms through DFA	EMCR
$3.9 million	15 infrastructure projects approved through DFA	
$329,000	Flood mitigation studies	
$24.25 million	Interim Flood Support Funding inclusive of $11.75 million for interim housing for flood impacted residents.	MUNI

City of Princeton:

Over $15 has been committed to the City and residents of Princeton through provincial recovery programs and one-time funding		
$2.58 million	Direct financial support to homeowners, tenants, small businesses, charitable organization, and farms through DFA	EMCR
$1.15million	1 infrastructure project approved through DFA	
$100,000	Emergency flood hazard assessment of the Tulameen and Similkameen rivers and flood mitigation plan	
$11.9 million	Interim Flood Support Funding inclusive of $1.4 million for interim housing for flood impacted residents.	MUNI

Background:

- The Atmospheric River Event (ARE) in November 2021 caused floods and landslides with unprecedented impacts to critical infrastructure such as roads and bridges, extensive losses to the agricultural sector, the evacuation of over 17,000 people, and the tragic loss of five lives. Damage was most acute in the Fraser Valley and the southern interior of the province (Merritt, Princeton).

- Recovery is community led. EMCR works closely with communities to support them in understanding what supports are available through DFA. As a community develops its recovery plan EMCR continues to work closely with staff to identify how activities may be funded existing government programs, non-governmental organizations and other funding channels.

Contact: Julia Iwama Disaster Recovery Division	Phone: 236-478-3884	Mobile: Government Financial

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2023/24 ESTIMATES NOTE

Indigenous Community Recovery (Central Region, Southwest Region, and Vancouver Island Coastal Region)

Key Messages/Suggested Response:

- EMCR continues to support many First Nations communities in the Fraser Valley, the Central Interior and on Vancouver Island to advance their recovery from the 2021 Atmospheric River Event.

- Significant funding has been approved through EMCR in support of recovery activities in communities in the Central, Southwest and Vancouver Island Coastal Regions.

- Indigenous Community Recovery Managers positions have been established and filled for Chawathil, Halalt, Leq'a:mel, Matsqui, Seabird, and Sema:th First Nations and Nooaitch Indian Band with funding provided by EMCR. With the support of recovery managers, First Nations are transitioning from Short-term Recovery into Mid and Long-Term Recovery and orienting more towards mitigation and preparedness.

- Many Indigenous communities have benefited from debris and sediment removal work. A total of $177.9 million has been spent or has been committed, to remove or address debris and sediment issues in rivers and streams impacted by the event. Approximately $7.6 million has been paid to First Nations contractors - $5.5 million in the Central Region and $2.1 million in the Southwest/Vancouver Island.

Background:

- The Atmospheric River Event (ARE) in November 2021 caused floods and landslides with unprecedented impacts to critical infrastructure such as roads and bridges, losses in the agricultural sector, the evacuation of over 17,000 people, and the tragic loss of five lives. Damage was most acute in the Fraser Valley (SWE) and the Southern Interior (CTL) of the province (Merritt, Princeton).

- Several First Nations are still facing recovery issues, such as flood damage to homes and infrastructure, as well as issues around debris and land recovery.

- The flood events magnified systemic issues that were already present for many Indigenous communities impacting their recovery efforts. Many First Nation communities did not have the capacity to thoroughly assess recovery needs or manage large scale recovery efforts. Impacts from the event included flood damage to homes, infrastructure, cultural losses, loss

of traditional food sources as well as issues around debris and land recovery. These issues are often exacerbated by unacceptable pre-existing conditions. Intergovernmental Communications

Intergovernmental Communications EMCR recovery staff work directly with communities to identify funding pathways for identified recovery needs including support for completing their cost-recovery plans for eligibility under the Disaster Financial Assistance program.

- A number of these communities in the Central Interior (CTL) and on Vancouver Island (VIC) were in recovery from previous events (wildfire and flooding respectively) when the November 2021 ARE happened.

- EMCR continues to work with partner agencies such as Indigenous Services Canada (ISC), First Nations Emergency Services Society of BC (FNESS), First Nations Health Authority (FNHA), Canadian Red Cross (CRC), non-profits and other Provincial Ministries to support community recovery, and to identify and address unmet needs in a manner that counters systemic issues.

Central Region (CTL):

- Provincial flood plain mapping program underway for affected Indigenous and non-indigenous communities along Highway 8 and Highway 5 to develop a flood hazard map to support the funding for mitigative works.

- Significant anthropogenic and woody debris removals were completed by Ministry of Environment/PricewaterhouseCoopers as part of the Debris Management project. The total funding committed to debris removal along the Tulameen, Coldwater and Nicola rivers is $63.9 million. Up to $800,000 of this funding is being made available to First Nations in the Central area to support their participation debris removal decision making.

- Land loss and erosion continue to be an issue for several reserves along the Nicola and Coldwater Rivers. ISC and Ministry of Indigenous Relations and Reconciliation are working with these communities.

Suggested Response – CTL:

- Recovery work by First Nations has been affected by the compounding emergency events in 2021 (Wildfire and ARE) resulting in capacity issues. Positions and personnel are now largely in place for those communities that were most impacted.

- Most First Nations communities in the Central Region have transitioned to mid- to long-term recovery.

- Significant contributions have been made to address identified funding gaps, which should aid in the delivery of complex recovery efforts in several areas (Highway 8, Merritt and Princeton).

Southwest Region (SWE):

- EMRC has been working with 15 Indigenous communities over the past year that were affected by the November 2021 ARE. As of February 15, 2023, active recovery discussions are happening with six First Nations (Chawathil, Leq'a:mel, Matsqui, Seabird Island, Sema:th and Skwah First Nations). Community Recovery Manager positions have been funded for these Nations.

- Debris removal along the Fraser River has been completed with $15 million spent. Sediment management work totalling $91 million has been completed or is underway in several areas with the involvement and oversight of First Nations. $375,000 in capacity funding will be provided to First Nations by the Ministry of Environment and Climate Change Strategy.

- In 2022, EMCR provided $60,000 to support the Building Back Better Together Collaborative, an Indigenous-led group of organizations, to bring together local governments, First Nations communities and non-government organizations to engage on a regional approach to recovery and mitigation efforts in the Fraser Valley.

Suggested Response – SWE:

- Recovery work by First Nations has been affected by capacity issues. Positions and personnel are now largely in place for those communities that were most impacted.

Vancouver Island Region (VIC):

- EMRC has been working with seven Indigenous communities affected by the November 2021 ARE – six on Vancouver Island and one on the Central Coast of B.C.

- A community recovery manager position has been supported to assist with the delivery of recovery for Halalt First Nation.

- $7.2 million of sediment work has been largely completed along the Chemainus River (Halalt and Penelakut First Nations) and is in progress in Kingcome Inlet (Dzawada'enuxw First Nation).

Active recovery work is happening with Halalt, Penelakut, Stz'uminus, Cowichan Tribes, Dzawada'enuxw, Tsartlip and Tsawout First Nations.

Suggested Response – VIC:

- Recovery work by First Nations on Vancouver Island has been affected by compounding events such as ongoing recovery from a 2020 flood event, complex systemic issues, capacity issues, and a shortage of contractors.

- Continuing to build strong relationships with First Nations while also building high functioning collaborative networks with partner organizations and ministries will be an integral part of supporting mid and long-term recovery and climate readiness.

Contact:	Phone:	Mobile:
Derek Masselink Disaster Recovery	Government Financial Information	

ADVICE TO MINISTER

CONFIDENTIAL DRAFT ISSUES NOTE Ministry of Emergency Management & Climate Readiness Date: March 27, 2023 Minister Responsible: Hon. Bowinn Ma	**Lytton Recovery**

ADVICE AND RECOMMENDED RESPONSE:

- **Together under the leadership of the Village of Lytton, the Province continues to support the people and Village in their recovery activities, so that residents can have confidence in the rebuild process and timelines.**
- **That's why we have specifically funded debris removal, archeological work and site remediation for all properties including those without insurance.**
- **The Province has demonstrated its commitment to Lytton with over $56.4 million towards the Village's response, recovery, and ongoing operations.**
- **Additionally, the Province has committed funding for recovery operations, such as fencing erected for Lytton by the Ministry of Transportation and Infrastructure along Highway 1, and the BC Hydro electrification of Main Street, which were not transferred through the Village.**
- **Debris removal is complete, and thanks to the hard work of many people on the ground, the Village recovery team is making significant progress on site remediation so rebuilding can start.**
- **The archaeological work to-date has confirmed the rich Indigenous heritage underlying the Village site and continues to move forward in a measured, thoughtful manner.**
- **Our dedicated team continues to support the Village of Lytton to make sure recovery milestones are met and we look forward to the vision of the new Mayor and Council.**
- **By working closely with officials in Lytton, we're doing everything we can to help the Village fully implement its Short-Term Recovery Plan and consider longer term planning needs.**

ADVICE TO MINISTER

If asked: How much funding has the Province provided to the Village to assist with the rebuild?

- **The Province has demonstrated its commitment to Lytton with over $56.4 million towards the Village's ongoing operations and recovery. This includes:**
    - **$21 million to help re-establish essential infrastructure and services like water treatment and sewer infrastructure, municipal and fire services.**
    - **$9.3 million to support ongoing village operations and staffing.**
    - **$23.4 million to enable debris removal, archeological work and soil remediation for uninsured and underinsured properties in the Village.**
        - **$18.4 million was announced in March 2022**
        - **An additional $5 million was allocated in December 2022**
    - **Funding will support the Village through three years of core operations (2022, 2023, and 2024), so they can focus on planning, recovery and rebuilding rather than on revenue generation.**

If asked: Why is it taking so long to get people back to the community?

- **Our government recognizes the importance of getting property owners to the point of beginning their rebuild as soon as possible, while at the same time, supporting the Village in providing certainty around that rebuild process.**
- **That's why we have specifically funded debris removal, archeological work and remediation for all properties including those without insurance.**
- **It is also why we have provided access to funding for activities that will enable people to return, such as interim housing for essential service workers.**
- **Thanks to the hard work of many people on the ground, the Village recovery team is making significant progress on site remediation so rebuilding can start.**

ADVICE TO MINISTER

- **The archaeological work to-date has confirmed the rich Indigenous heritage underlying the Village site and has required the clean-up to move forward in a measured, thoughtful manner.**

- **This work is happening right now, and procedures are in place to minimize work stoppages or slowdowns.**

- **The Province is committed to protecting that archeological heritage, while assisting the Village in preparing the site for the next phase of rebuilding, starting with homeowner planning and permitting.**

If asked: Is the Province requesting insurance companies provide extensions to Lytton residents?

- **We are working with the Village of Lytton to ensure people can rebuild as soon as possible.**

- **This includes receiving funding from their insurance companies.**

- **Many residents have been granted extensions by their insurance companies, and the Insurance Bureau of Canada is offering individual support to any resident still navigating extensions with their insurers.**

- **We are calling on insurance providers to offer flexibility and compassion to people in these exceptional circumstances.**

    - **We encourage Lytton residents who would like to discuss their individual case to contact IBC at: 1-844-227-5422**

If asked: What has the archeological work found? How many properties are impacted?

- **The archeological work to-date has confirmed the significant, rich Indigenous heritage underlying the Village site and has required the clean-up and remediation to move forward in a measured, thoughtful manner.**

- **Archaeological sites are protected under provisions of the Heritage Conservation Act, whether sites are known or as-yet unrecorded, on public and private land.**

- **Work to date has been authorised by Heritage Conservation Act permits and has proceeded in conjunction with debris removal and remediation. Procedures are in place to minimize work stoppages or slowdowns related to archeological work.**

ADVICE TO MINISTER

If asked: What more is the Province doing to expedite getting people home?

- **We have a dedicated team to support the Village of Lytton to make sure recovery milestones are met quickly.**
- **The Province has funded more than a dozen positions in the Village's recovery team, some of the specifically dedicated to longer-term recovery planning.**
- **The Province is also supporting the Lytton First Nation in their recovery planning, and the Lytton First Nation is an important partner in the success of the Village's recovery.**
- **By working closely with leaders in the Lytton area, we're doing everything we can to help the Village address the challenges and continue advancing recovery.**

If asked: What supports are available for people until they can return to their community and start rebuilding?

- **The Canadian Red Cross continues to provide an immediate housing support subsidy to those who lost their primary residence.**
- **In addition to financial assistance, and at the request of the Village of Lytton, Red Cross is offering case management support to residents.**
- **This may include planning for return to home, understanding insurance, and providing information to help make decisions and inform next steps.**
- **The Red Cross works with individuals to help them navigate their recovery journey, including goal setting and decision-making processes.**
- **This support is made available thanks to the generosity of Canadians and support from the Province of British Columbia and the federal government.**
- **The Province is also supporting the Lytton First Nation in their recovery planning. Several Lytton First Nations members have now moved into interim housing.**
- **The planning of these housing solutions takes time, and a process is followed to ensure all needs are considered and funding is available for those impacted.**

ADVICE TO MINISTER

If asked: How are those who were uninsured being supported in their rebuilding efforts?

- **We understand how challenging this situation is for people who lost their homes in Lytton, and for those who didn't have insurance.**
- **The Province is working hard to support those affected by recent disasters, but ultimately flood and fire insurance is one of the best ways people can protect their families.**
- **There are no further provincial financial supports for rebuilding of uninsured homes – this is consistent with other disaster events across the province in recent years and with other governments across Canada.**
- **Thankfully, the public outpouring of support for the people of Lytton has been truly heartwarming. For example:**
    - **Teal Jones has offered 500,000 board feet to support the rebuild of approximately 50 homes.**
    - **The Village has received direct donations through its Rebuild Fund.**
    - **Additional reconstruction and rebuild supports through Canadian Red Cross (which includes both provincial and federal funding).**
- **The province will support the Village in their work to help coordinate donation supports to impacted residents.**

BACKGROUND:

In the early evening of June 30, 2021, a wildfire swept through Lytton within minutes, destroying much of Lytton and causing two fatalities. The cause of the wildfire remains undetermined and an RCMP and BCWS investigation is underway.

The fire damaged an estimated 90% of the structures in the village site and most of the commercial and public services.

- In the Village,124 residences, 28 commercial properties and 45 outbuildings are estimated as destroyed. The Village of Lytton lost its administrative office, which included all its physical and digital records.
- LFN lost about 45 residences, 5 commercial properties, and 2 outbuildings. Indigenous Services Canada will fund the rebuild of all the damaged structures on the IR land.

There may be additional delays to rebuilding as archaeology work has uncovered significant findings.

Media interest: There has been sustained media interest and regular requests for interviews about Lytton's recovery. General tone in media has been that recovery is taking a long time and

that residents feel “forgotten,” although that tone may be changing with the election of a new mayor and council.

Communications:	Krystal Thomson, Director	236-478-0445
	Aimee Harper, Manager	778-698-1608
	Dave Paulson, Sr. PAO	250 356-7959
Program:	Bridget Frewer, manager, Recovery Communications	
	Quinn Yu, ED, Recovery Policy and Funding	
	Julia Iwama, EL, Provincial Community Recovery	
	Tara Richards, DM	

2023/24 ESTIMATES NOTE

Sumas Prairie Recovery

Key Messages/Suggested Response:

- Disaster Financial Assistance (DFA) is a provincial program, administered by the Ministry of Emergency Management & Climate Readiness, to help individuals and local government bodies recover from uninsurable losses in a disaster.

- The 2021 Atmospheric River extreme weather event is the single largest event in the DFA program's history.

- The Atmospheric River was declared a DFA eligible event on November 15, 2021.

- DFA representatives were on site at the Abbotsford Resilience Centre from November 25, 2021, to February 25, 2022, to assist those impacted by the disaster with information and support with their DFA application. DFA evaluation services set up a remote office in this region with 19 evaluators to undertake site visits.

- The DFA program area received 683 private sector applications for financial assistance from applicants in the Abbottsford (Sumas Prairie) area. As of March 22, 2023, 307 payments have been issued for just under $13 million, 114 applications were transferred to the Ministry of Agriculture and Food to be assessed under the 2021 Canada-British Columbia Flood Recovery Program for Food Security, 258 applications were closed ineligible or withdrawn, and 4 applications are still under review.

- The DFA program area has received applications from three local government bodies which have projects in the Sumas Prairie: City of Abbotsford, Sumas First Nation, and Fraser Valley Regional District.

Background:

- DFA programs are delivered under the *Emergency Program Act* and the ensuing Compensation and Disaster Financial Assistance Regulation. DFA programs, in effect since 1995, are obliged to provide compensation in compliance with this legislation.

- When DFA has been authorized for an event, DFA programs can pay 80 percent of the amount by which the accepted claim exceeds $1,000 up to a maximum of $400,000 to individuals.

- For local government bodies with a population estimate issued under the *Statistics Act*, reimbursement is 90% of total project cost, or amount of assistance payable is based on a tiered cost per capita calculation, or whichever is greater. For local government bodies to which this cannot apply, reimbursement of eligible costs is 95% of the amount which exceeds the first $1,000.

- There are a wide variety of reasons that an applicant may be found to be ineligible for DFA. Reasons may include:
  - that the damages were not eligible (such as land erosion);
  - there was pre-existing damage;
  - damage was to non-essential items and/or insurable damages; or
  - damages were valued at less than the $1,000 deductible.

- Non-essential infrastructure and mitigation projects are also not eligible for local government bodies such as garbage cans and landscaping.

- Regulation changes were implemented in 2022 to better support those impacted by the Atmospheric River event. These included:
  - Increasing the number of small businesses eligible for assistance.
  - Replacing the existing major source of income rule with a requirement that a small business must have between $10,000 and $2 million per year in gross revenue from the business.
  - Increasing the limit to assistance from $300,000 to $400,000 for private sector applicants
  - The rate of reimbursement of eligible claims for local government bodies was updated from a flat 80% to provide greater rates of reimbursement, dependent on the type and population of the local government body.
  - Local government bodies may also request advance payments of up to 50% of approved project costs to assist with financial liquidity.

- Supplemental initiatives were developed to strengthen supports and address gaps. These included:
  - Changes to the Compensation and Disaster Financial Assistance Regulation (Regulation)
  - Updates to DFA operational policies to support local governments in building back better (BBB) with combined funding opportunities.

- A program review of the effectiveness of DFA including exploring opportunities to better align program policy and delivery with Sendai resilience / BBB principles.

Data Highlights

Table 1: Private Sector Application Sumas Prairie Statistics as of March 22, 2023

Summary – volume & status of applications	Applications	Percentage
Currently open and under assessment	4	.5%
Closed with payment (eligible)	307	45%
Closed without payment (ineligible or withdrawn)	258	38%
Transferred to the Ministry of Agriculture and Food to be assessed under the 2021 Canada-British Columbia Flood Recovery Program for Food Security	114	16.5%
TOTAL	683	100%

Table 2: 2021 Atmospheric River Private Sector Data Highlights Abbotsford up to March 22, 2023

Category	Home Owner	Residential Tenant	Small Business	Charitable Organization	Farm Operation	Total
Total applications received	274	164	145	5	95	683
Total paid and closed	179	71	53	3	1	307
Total value paid and closed	$8,354,031	$555,469	$3,409,747	$203,580	$389,971	$12,912,798
Average payment	$46,671	$7,824	$64,335	$67,860	$389,971	$42,061
Total closed – not eligible or withdrawn	93	93	70	2	0	258
Open – in process	2	0	2	0	0	4
Transferred to AFF*	N/A	N/A	20	N/A	94	114

Table 3: 2021 Atmospheric River Sumas Prairie Public Sector Highlights up to March 22, 2023

Community Name	Number of Projects in Sumas Prairie	Community Estimated Cost	Projects Approved	Amount claimed to date	Status
City of Abbotsford	33*	$29,465,915	8	$2,160,915	• 14 projects pending approval • 11 projects closed withdrawn • 4 closed with payment • 1 claims pending adjudication • 3 projects approved-construction underway.
Sumas First Nation	2	$26,391	2	$26,391	• Closed with payment
Fraser Valley Regional District	1*	$3,390	0	0	• Pending approval

**Assessments still being completed. Not all projects may be identified.*

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2023/24 ESTIMATES NOTE

Disaster Financial Assistance Landslide Policy

Key Messages/Suggested Response:

- The November 2021 Atmospheric River (AR) event caused unprecedented damage to several communities, including extensive damage to homes.
- Following the AR event, the Disaster Financial Assistance (DFA) program received over 50 landslide-related homeowner claims citing landslides as the cause of damage.
- The DFA program's landslide policy guides decisions on eligibility for landslide-related claims in disaster events. Recognizing that landslides are an uninsurable cause of damage and reflecting on the unprecedented magnitude of the destruction stemming from the 2021 AR, EMCR obtained direction to review the DFA landslide policy.
- The ministry is exploring alternative funding opportunities to support recovery, mitigative enhancements or safe alternatives in situations where applicants are not eligible for DFA.

Background:

- Once a DFA event has been declared, the DFA program assists qualifying applicants who have sustained eligible and uninsurable losses as a result of certain types of disasters. The DFA program may provide applicants with financial assistance to restore uninsurable losses that are essential to a home, livelihood, or community service.
- The DFA program operates under the *Emergency Program Act* (EPA) and the ensuing Compensation and Disaster Financial Assistance Regulation (CDFAR). The regulation does not allow DFA for homes that did not sustain direct physical damage. This raises concerns over people continuing to live in unsafe homes/high-risk areas for future landslides.
- Of the 55 claims, 6 claims were for homes in the Fraser Valley Regional District (FVRD), which did not suffer direct physical damage to the structure yet were deemed unsafe to continue occupying. Subsequent geotechnical reports have confirmed that the homes are no longer safe to inhabit and mitigative works are likely to be cost-prohibitive or ineffective.
- DFA cannot be provided to these 6 FVRD properties because the homes did not sustain physical damage (which is a requirement under the regulation).

- Allowing DFA programs to provide up to 50% of a project's estimated costs upfront to all eligible public sector entities.

- Clarifying the definition of "small business," replacing the "major source of income" rule with a requirement that a small business must have at least $10,000 per year in revenue from the business. This will increase certainty and allow more small businesses to qualify for DFA.

- Increasing the maximum annual revenue threshold in the definition of "small business" to match the federal cap of $2 million.

- For homes owned by corporations, allowing occupants to apply for DFA if they have a defined connection to the corporation and use the home as a primary residence.

Facts and Figures:

- Since the increased limit on payments of assistance came into effect in September 2022, four claims have been processed for the maximum $400,000 amount and one additional claim has been processed for $389,971 (for a total of $489,971 provided under the new limit).

- The April 2022 amendments aligned with an announcement from the Province re-opening small business applications to the DFA program for an additional 4 months (from April 28, 2022 to July 27, 2022). Based on this extension, 18 eligible applications were processed and a total of $1,078,969.90 in DFA was paid.

Contact:		
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2023/24 ESTIMATES NOTE

August 23, 2022, Highway 8 Mudslide

Key Messages/Suggested Response:

- The Disaster Financial Assistance (DFA) Program is a provincial program that assists local governments and individuals impacted by disasters, cope with the cost of recovery from uninsurable losses for those events specifically designated as eligible for Disaster Financial Assistance (DFA). In general, those events that qualify for DFA are major events with significant losses that were unforeseen and not predictable.
- Emergency Management and Climate Readiness (EMCR) has made the determination that DFA does not apply to the August 23, 2022, mudslide along Highway 8.
- The decision to determine an event eligible for DFA is a two-part process:
    - The event must first meet the definition of a "disaster" under the Emergency Program Act (Act) which states a "disaster means a calamity that (a) is caused by accident, fire, explosion or technical failure or by the forces of nature, and (b) has resulted in serious harm to the health, safety or welfare of people, or in widespread damage to property."
    - Second, a decision must be made if it is a disaster for which DFA will be provided under the Compensation and Disaster Financial Assistance Regulation.
- The mudslide did not meet the criteria of a "disaster" as defined in the Act.
- Various indicators considered include social, economic, public safety and public health.
- The mudslide primarily damaged agriculture land, fencing, equipment and outbuildings of up to six properties with estimated recovery cost of $400,000.
- EMCR has been actively working with TNRD, CRC, and the Ministry of Agriculture and Foods (AF) to identify potential solutions. As of March 23, 2023, AF intends to disburse a $400,000 grant to the BC Cattlemen's Association through fiscal year end funding to support debris removal efforts for eligible ranchers. EMCR will continue working with partners to identify if further debris removal support is required, outside of the AF funding source, for homeowners or other private sector entities.

Background:

Event Overview

- On August 23, 2022, a severe thunderstorm developed over highway 8 between Shackan Indian Band and Nooaitch Indian Band, 32 km north-west of Merritt, resulting in a series of mudslides that impacted several portions of highway 8 and up to six properties.
- The mudslide impacts stranded several workers and stranded a number of Shackan (6) band members in Merritt.
- Roads (single lane) and BC Hydro power were restored just over 24 hours after the event.
- Thomson Nicola Regional District (TNRD) did not declare a State of Local Emergency (SOLE); however, Shackan Indian Band passed a resolution to declare a SOLE and evacuation order for two properties.
- Eligible farm properties along Highway 8 are receiving assistance from past wildfire and Atmospheric River events through the Ministry of Agriculture and Food.
- The recovery expenses for the farms impacted by the highway 8 mudslide would be eligible under the existing AgriStability support program claim calculation if the farms had enrolled in AgriStability for the 2022 program year. The six property owners did not enroll in AgriStability for 2022.
- AgriStability is a program that provides support when eligible farms experience larger income losses. Eligible farms can participate in the program annually by applying before April 30th of each year (the 2022 program year was extended to June 30, 2022). Further extension of the application deadline for 2022 is not-yet determined. The program is voluntary and there is a participation fee regardless of whether assistance is needed in the program year.

Geotechnical Reports

- MOTI, MOF and Indigenous Services Canada (ISC) have conducted a number of studies (Lidar, geotechnical, water) in this area and along the highway and are working to ensure all information is available.
- MOF is currently undertaking a detailed post wildfire report for this area.

Contact: Julia Iwama, Executive Lead Disaster Recovery	Phone: 236-478-3884	Mobile: Government Financial

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: Affordability and BC Hydro Rates

Drafted/Revised: March 15, 2023

Issue: Government is working with BC Hydro to maintain affordability of electricity

Response:

- In its August 2021 Revenue Requirements Application to the BCUC, BC Hydro requested rate increases below the expected rate of inflation for the next three years of 0.62% beginning April 1, 2022, 0.97% on April 1, 2023, and 2.18% on April 1, 2024.
- BC Hydro requested that these increases be offset by a rate rider giving a 2% discount for fiscal 2023, a 1% discount for fiscal 2024, and a 0.5% discount for fiscal 2025.
- The BCUC has subsequently granted BC Hydro an interim rate increase of 0.62% effective April 1, 2022, and an interim rate rider providing a 2% discount. This results in a net rate decrease of nearly 1.4%. The BCUC's proceeding on rates is currently underway.
- To further mitigate limit upward pressure on BC Hydro customers' bills, Government and BC Hydro have taken a number of actions, including
    - Government instructing the BCUC not to increase BC Hydro's allowed net income - i.e., profit - during the Fiscal 2022 to Fiscal 2025 period, and
    - providing a one-time cost-of-living bill credit in Fall 2022 to residential and commercial utility customers throughout B.C. Residential customers received a credit of $100. Commercial customers, including restaurants, tourism operations and other businesses, received a credit averaging about $450 based on their prior year's electricity consumption.

- In addition, over the last 5 years BC Hydro's Customer Crisis Fund has provided grants to customers facing disconnection who have experienced a life event and are in financial crisis.
- Government is committed to providing continued support for low-income customers and is considering implementing a means-tested bill assistance program modelled after the Customer Crisis Fund.

RETURN TO TOC

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Background/Status:

BC Hydro Rate Increases

- BC Hydro's rates are currently among the lowest in North America.
- Of the major utilities surveyed by Hydro Quebec, BC Hydro's rates are the second- or third-lowest for the vast majority of residential customers.
- Advice/Recommentations

- In its Fiscal 2023-2025 Revenue Requirements Application, BC Hydro has requested rate increases of: 0.62% for Fiscal 2023; 0.97% for Fiscal 2024; and 2.18% for Fiscal 2025.
- Offsetting these increases, BC Hydro proposes to return favourable regulatory account balances to ratepayers with a -2% rate rider in Fiscal 2023; a -1% rate rider in Fiscal 2024; and a -0.5% rate rider in Fiscal 2025.
- On February 22, 2022, the BCUC approved BC Hydro's requests for Fiscal 2023 on an interim (refundable) basis, resulting in a rate decrease by a net 1.39% on April 1, 2022.
- If the interim rate increase approved for F2023 and F2024 and F2025 rates and deferral accounts are approved by the BCUC, rates would decrease 1.39% in Fiscal 2023, increase 2% in Fiscal 2024, and increase 2.06% in Fiscal 2025.
- Advice/Recommentations

Cost-of-Living Bill Credits

- In Fiscal 2021/2022, BC Hydro's revenues exceeded expectations, resulting in a higher credit balance in BC Hydro's Cost of Energy Variance Accounts.
- Government worked with BC Hydro to use $320 million of this balance to provide a "cost-of-living bill credit" to eligible utility customers, beginning in December 2022.
- Credits were provided to all eligible residential and commercial electricity customers, including those who receive their electricity service indirectly from BC Hydro through FortisBC or a municipal utility.
- Residential customers received a one-time bill credit of $100, which is the equivalent of approximately one month of electricity charges for an average residential customer living in a detached home, or more than two months for an average customer living in an apartment.

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- Bill credits for commercial customers were distributed on a proportional basis based on the customers' electricity consumption from the previous year. The average bill credit for commercial customers was approximately $450.
- Approximately 2.2 million residential and commercial customers received the cost-of-living bill credits. Approximately 1.9 million of those were residential account holders.

BC Hydro's Net Income

- BC Hydro's allowable net income, or "profit" is established by its economic regulator, the BCUC, and is subsequently recovered from ratepayers as part of its BC Hydro rates.
- Starting in 2013, Government took on BCUC's role in setting net income, as part of a "10 Year Rates Plan" which smoothed significant rate increases, required to recoup BC Hydro investments in its aging infrastructure, over a multi-year period to lower annual rate increases that would otherwise have been required in 2011 and 2012 of 11% and 15% respectively.
- As an outcome of the 2018 Phase 1 of the Comprehensive Review of BC Hydro (Phase 1), legislative/regulatory changes returned authority to the BCUC to set:
  - BC Hydro's rates beginning in Fiscal 2020, and
  - BC Hydro's allowed net income (profit), which is recovered from its customers through rates, in Fiscal 2021 after a transition period.
- This transitionary measure was subsequently extended for two additional years

Advice/Recommentations; Cabinet Confidences

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Advice/Recommentations; Cabinet Confidences Government extended the transition period for returning authority to the BCUC, and directed the BCUC to set BC Hydro's current $712 M allowed net income for Fiscal 2024 and Fiscal 2025.

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Minister Responsible: **Josie Osborne**

- Advice/Recommentations

Customer Crisis Fund:

- On May 1, 2018, BC Hydro started the Customer Crisis Fund (CCF) pilot program to provide bill relief for certain customers, as directed by the BCUC.
- A residential BC Hydro account holder may apply for a grant under the CCF if their account is overdue and they are facing disconnection. They must also have experienced a life event, within the previous year, that caused a temporary financial crisis. Eligibility is not dependent on income or whether the account holder receives other forms of Government assistance.
- Under the CCF, eligible customers may receive a grant equal to the amount owing on their account, up to maximum grants of $600 for customers who heat their homes with electricity, and $500 for customers with non-electrically heated homes (e.g., natural gas heat).
- The CCF pilot program expired on May 31, 2021. In June 2021, Government put in place a direction to the BCUC that allowed the CCF to continue past that date on a temporary basis.
- The CCF pilot program was funded by a monthly rate rider that was added to residential customers' bills. BC Hydro stopped applying the rate rider to customers' bills effective June 1, 2021. The temporary continuation of the CCF is being funded, in part, through a surplus of approximately $5 million that represented the difference between revenues collected through the monthly rate rider and the costs of providing the pilot program. An additional $6 million in funding, drawn from higher-than-expected BC Hydro revenues, was added in fall 2022.
- As of the end of the CCF pilot program on May 31, 2021, BC Hydro had provided approximately 11,396 grants totaling $4.289 million to customers in need.
- Since June 1, 2021, when the CCF was continued temporarily, BC Hydro has provided support to 4,028 customers, providing $2.096 million in grants as of February 2023.
- At the current level of participation, BC Hydro forecasts the CCF funding available will allow operations for up to 30 months, or until Fall 2025.
- As part of the BC Hydro Review Phase 2, government committed to provide additional support for low-income customers and is considering implementing a means-tested program modelled after the CCF to continue providing relief to BC Hydro Customers in crisis once current CCF funding is depleted.

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Minister Responsible: **Josie Osborne**

- A working group comprised of staff from the Ministry of Energy, Mines and Low Carbon Innovation, Ministry of Social Development and Poverty Reduction, Ministry of Indigenous Relations and Reconciliation and BC Hydro is currently examining options for the future of the CCF, as well as other measures to address household energy affordability issues.

Cross Reference: 14 – Rates and Rate Design

Contact:

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2022/23 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Honourable Josie Osborne

Title: Site C Project Update

Revised: March 22, 2023

Issue: Site C Project

- In February 2021, Government confirmed its decision to continue with Site C at a revised cost estimate of $16 billion and with a one-year delay to its in-service date. The project is currently on schedule and on budget.
- Construction on the project has progressed on all fronts with some parts of the project already completed or nearing completion. The project is more than 70% complete. The earthfill dam is completed to approximately 87% of the total required volume.
- Nearly 90 per cent of the concrete has been placed in the powerhouse and the first generating unit is in the process of being installed. BC Hydro expects all concrete for the powerhouse to be finished in 2023.
- BC Hydro is on track to complete the project in 2025, which includes a schedule for achieving first power in 2024.
- As a result of the efforts of BC Hydro and Site C contractors exploring strategies to complete work on the project that had been delayed by the COVID-19 pandemic, a scenario has emerged that has the potential for reservoir filling to take place as early as fall 2023 and be able to deliver first power later this year.
- Prior to filling the reservoir in 2023, more than 20 regulatory approvals must be met. In addition to these authorizations, reservoir filling must consider BC Hydro's operation of the Peace River system, environmental and weather constraints, and construction progress.
- If reservoir filling does not occur in 2023, BC Hydro will continue with its approved schedule to commence reservoir filling and first power in 2024.

Background/Status:

Overview:

- Site C will be the third dam and hydroelectric generating station on the Peace River and is designed to provide 5,100 gigawatt hours of electricity each year and 1,100 megawatts of capacity, which is enough power for 450,000 homes.

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- Construction began on July 27, 2015. Completion is scheduled for December 2025.

Right Bank Foundation Enhancements

- During construction of the powerhouse and spillway buttresses, sensitive instruments monitored the bedrock foundation below and behind the buttresses for movements. BC Hydro identified small movements (millimetres) along a thin bedding plane located below the bottom of the concrete buttress shear key.
- One of the project's design objectives is to avoid movements of the buttresses, as the concrete structures built on top of them (and the generating equipment that will be installed in the powerhouse) cannot accommodate even small movements without damage.
- BC Hydro identified a two-part solution to improve the stability of the right bank structures: extend the foundation deeper into the rock; and reduce water pressure that can build up in the bedrock foundation.
- The first part of the solution is to improve the strength of the concrete buttresses beneath the right bank structures by anchoring the buttresses deeper into the rock below using vertical piles (large steel pipes filled with concrete).
- The second part of the solution is to improve the water tightness of the approach channel. The approach channel directs water around the earthfill dam and into the generating station. BC Hydro will enhance the approach channel with a manufactured geomembrane liner, and improve drainage to prevent water from seeping into the foundation.
- Many large hydroelectric dam projects have encountered geotechnical challenges during construction and have modified their design to suit the conditions.
- One example in British Columbia is the Revelstoke Dam, which was completed in 1984. Adverse bedrock geology discovered during construction led to major design changes. Changes in the concrete dam included additional excavation of weak rock, placement of backfill concrete to provide a more stable foundation, provision of additional drainage.
- The cost of the right bank foundation enhancement work is included within the current $16 billion cost estimate. BC Hydro expects the work to be completed prior to reservoir filling.
- The right bank foundation enhancement work continues to be reviewed by internationally recognized dam experts appointed by the Project Assurance Board: John France and Dr. Kaare Höeg.

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Minister Responsible: **Honourable Josie Osborne**

Construction Progress:

- Construction on Site C began in July 2015 and is over 70% complete.
- Construction activities are underway in all project areas including at the dam site, reservoir, transmission line corridor, and segments of Highway 29.

Construction activities for 2023:

- This year, the project activities include:
  - Progression of earthworks at the dam site;
  - Ongoing construction of the powerhouse and spillways, including generator installation and the continued installation of steel piles as part of the right bank foundation enhancement work;
  - Construction of approach channel;
  - Transmission line maintenance and reclamation; and
  - Highway 29 realignments at Cache Creek, Halfway River, Farrell Creek, Dry Creek and Lynx Creek.

Earthfill dam construction

- Two cofferdams are required to seal off the main channel of the river. These structures were completed in March 2021, ahead of schedule. The main earthfill dam is currently under construction and approximately 70% complete.
- The main earthfill dam will be 60 metres tall, about 500 metres wide at its base and span more than one kilometre across the river valley.

Generating station and spillways work

- Generating station and spillways work on the right bank of the Peace River includes the Site C powerhouse, penstocks, spillways, turbines and generators.
- By concrete volume, the generating station and spillways civil works is approximately 82% complete as of September 30, 2022.
- The six penstocks, which will channel the water from the reservoir into the turbines and generators, have had all the penstock steel installed. Penstocks are large steel pipes, which are 10 metres in diameter and 80 metres long. A flexible coupling for the penstocks has been redesigned to address a pressure test failure in 2021, BC Hydro is working towards implementing the fix.
- In early August 2022, the two large Site C powerhouse bridge cranes were taken out of service due to issues with the crane wheels. To mitigate potential delays, a smaller construction crane was used allowing for almost full resumption of the powerhouse construction. As of mid-October 2022, both cranes are back in

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service. This event is not expected to impact achieving the approved in-service date in 2025. The powerhouse is approximately 86% complete.

- All six turbine runners have been transported to site from Brazil.

Substation and transmission lines

- The Site C substation was completed in October 2020, and the two 500 kilovolt transmission lines are now energized ahead of schedule.
- Construction continues on the three transmission lines connecting the Site C substation to the Site C powerhouse, including the installation of five of the eight transmission towers.

Highway 29 construction

- BC Hydro is partnering with the Ministry of Transportation and Infrastructure to realign six segments of Highway 29, which connects Hudson's Hope to Fort St. John.
- Construction is underway for all 30 kilometres of the highway that need to be realigned to accommodate the future reservoir.
- Construction of the of the following segments has been completed:
  - Farrell Creek East - August 2022; and
  - Dry Creek – September 2022.
- All work on Highway 29 is on track to be complete in 2023.

Reservoir clearing

- BC Hydro is removing trees and vegetation from the future Site C reservoir area.
- Clearing of the 87-kilometre-long reservoir area is nearly complete.

COVID-19

- Since April 2022, COVID-19 has remained manageable at the site. BC Hydro continues to work with Northern Health to monitor the latest developments of the COVID-19 pandemic to help prevent the spread of the virus on the project.
- BC Hydro has suspended the COVID-19 vaccination policy effective September 26, 2022. The project continues to collect vaccination status for anyone accessing site, as the health authority had previously requested this information from large industrial projects. Rapid testing continues to be used as requested by workers, and to test symptomatic workers reporting to the clinic.

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Site C employment

- The latest employment statistics show that there were 5,420 total workers on the Site C project in September 2022.
    - Of the total workers, 3,594 or 66% were from British Columbia.
    - There were 1,015 workers on site from the Peace River Regional District — that's 22% of the construction and non-construction contractor's workforce.
    - There were 589 women working for Site C construction and non-construction contractors.
- Peak employment was reached on the project in September 2022.

Indigenous relations

- BC Hydro has reached benefit agreements with the 10 First Nations that are most impacted by the project, including most of the Treaty 8 First Nations.
- About $687 million in Site C procurement opportunities have been awarded to Indigenous designated businesses, including pre-construction contracts.
- BC Hydro continues to advance economic opportunities for First Nations through capacity building and procurement opportunities. Approximately $687 million in Site C procurement opportunities have been awarded to companies designated by First Nations since the beginning of the project.
- In September 2022, 403 Indigenous people were working on the Site C project, compared to 390 in September 2021. The project peak of 428 Indigenous people working on the Site C project was reached in October 2019.
- Consultation is ongoing with impacted First Nations regarding options and site-specific plans for the management of identified burial and cultural sites impacted by reservoir filling, in particular in the Halfway River and Cache Creek Bear Flats areas.
- Based on consultation and field investigations undertaken by BC Hydro and First Nations, two burial sites were identified in the future reservoir area, which have been registered as heritage sites under the Heritage Conservation Act.
- BC Hydro is working closely with affected Nations to develop the most appropriate management options and any community support needs. BC Hydro requires permits from the Archaeology Branch under the *Heritage Conservation Act* prior to undertaking any activities that may impact the registered burial sites.

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Monitoring recent inflationary pressures

- BC Hydro advises that recent inflationary pressures could potentially impact the project's remaining costs due to potentially higher labour and fuel costs and higher interest during construction due to the significant increase in interest rates.
- In addition, beyond inflationary cost impacts, supply chain challenges could potentially cause schedule delays.

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2022/23 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Honourable Josie Osborne

Title: CleanBC

Drafted/Revised: March 10, 2023

Issue: CleanBC Implementation – Roadmap to 2030

Response:

- British Columbia's (B.C.'s) 2018 climate plan, CleanBC and the updated 2021 CleanBC Roadmap to 2030 (Roadmap), are detailed plans on how the Province will create an equitable, resilient, low carbon future to meet our greenhouse gas (GHG) emissions targets.
- The focus of CleanBC is on energy efficiency, clean fuels and electrification in order to reduce GHG emissions and overcome B.C.'s reliance on fossil fuels.
- In Budget 2023, Government announced an additional $44 million in new funding to support CleanBC and the Roadmap over three years, including more funding for the CleanBC Go Electric Commercial Vehicle Pilots (CVP) Program, support for the BC Hydrogen Office, and enhancements to regulatory compliance and enforcement tools for both light and medium/heavy duty vehicles.
- The Roadmap sets out to maximize reductions in GHG emissions by expanding clean transportation programs and the BC Low Carbon Fuel Standard, implementing a GHG emissions cap for natural gas utilities, continuing to implement the B.C. Hydrogen Strategy, and building out the CleanBC Better Homes and Buildings programs.
- The 2022 provincial GHG forecast has yet to be released, but the 2021 forecast projects that the GHG emissions curve will have begun to bend downwards starting in 2020, due in part to CleanBC actions and temporary emissions reductions from the COVID-19 pandemic.
- The 2022 Climate Change Accountability Report states the carbon intensity of B.C.'s economy has decreased 24% since 2007, and GHG emissions per capita has gone down 19% since 2007.
- The Climate Solutions Council provides independent advice to Government on CleanBC to strengthen our actions moving forward.

Background/Status:

- CleanBC and the Roadmap are a collaborative effort of many ministries across the B.C. Government.

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- The Ministry plays a leading role in developing policies, programs, and standards that decarbonize energy systems, improve energy efficiency, and reduce GHG emissions across B.C.'s economy.
- B.C.'s legislated emission targets for 2030, 2040 and 2050 are 40%, 60% and 80% below 2007 levels, respectively. The Province has also set sectoral targets and will develop legislation to ensure B.C. reaches net-zero emissions by 2050.
- In 2020, a new interim GHG reduction target was set at 16% below 2007 levels by 2025. It provides a benchmark on the road to 2030.
- Launched in December 2018, CleanBC set out the pathway to achieve 75% of the 2030 emission reduction target.
- The recently released Roadmap, together with CleanBC, set out actions to achieve 100% of the 2030 target.
- The Roadmap includes a wide range of accelerated and expanded actions that will be implemented in this mandate to reduce pollution and build a cleaner, stronger economy for everyone, including:
    - accelerated Zero Emission Vehicle Standard targets, a strengthened Low Carbon Fuel Standard, and a new emissions cap for natural gas utilities;
    - a revised carbon pricing system to meet or exceed the federal benchmark, with supports for people and businesses;
    - requirements for new industry projects to have enforceable plans to reach net-zero emissions by 2050;
    - near elimination of methane emissions by 2035 in oil and gas, mining, industrial wood waste and other sectors; and,
    - a new program to support local government climate and resiliency goals with predictable funding.
- The Province conservatively expects the Roadmap to lead to gross domestic product increases of 19% by 2030 and job growth of 7% by 2030. The economic benefits could be greater if; for example, new clean technologies cost less than expected, or more jurisdictions accelerate their climate ambitions.
- In 2020, B.C.'s net GHG emissions were 63.5 megatonnes (Mt) of carbon dioxide equivalent (CO_2e). This represents a net decrease of 3% from 2007 levels (-2.0 Mt CO2e), mainly due to the impacts from the COVID-19 pandemic.
- In 2022, the Province released the annual Climate Change Accountability Report which outlined progress over the previous year of CleanBC implementation.

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Transportation Successes:

- In 2020, transportation remained the largest source of B.C.'s emissions. While emissions from this sector decreased 8% from 2019 (likely due to impacts of COVID-19), emissions since 2007 have increased 12%. This is because of increases from heavy-duty vehicles (+24%) and light-duty vehicles (+2%).
- B.C. is a leader in clean transportation. In 2022, B.C. had the second highest zero-emission vehicle (ZEV) adoption rate in North America (18.1% of new light-duty vehicle sales). The province has one of the largest public charging networks in Canada, the largest public hydrogen fuelling network in Canada, and a world-leading hydrogen and fuel cell industry.
- In May 2019, the Province passed the *Zero-Emission Vehicles Act* (ZEV Act) which requires automakers to meet increasing ZEV sales targets reaching 10% of new light duty vehicle sales by 2025, 30% by 2030, and 100% by 2040. The Roadmap accelerated the ZEV sales targets to 26% by 2026, 90% by 2030 and 100% by 2035, and announced the introduction of new ZEV targets for medium- and heavy-duty vehicles. The purpose of the ZEV Act is to ensure increased ZEV availability and choice at more affordable prices in B.C.
- Budget 2022 includes $40 million (M) more for the CleanBC Go Electric Commercial Vehicle Pilot (CVP) Program which supports businesses, non-profits, and eligible public entities looking to deploy commercial ZEVs, including: medium- and heavy-duty on-road vehicles, rail, marine, aircraft, and off-road equipment, along with supporting infrastructure. This builds on existing CleanBC programs, such as $49M invested to date in the CVP program and is also in addition to over $200M for light-duty ZEV rebates announced in Budget 2022.
- The Roadmap committed to developing a Clean Transportation Action Plan to identify the next set of concrete actions across five foundational areas: vehicle kilometres travelled (VKT) reduction; mode shift to efficient modes; vehicle efficiency; ZEVs; and fuel efficiency - to ensure BC meets its legislated and Roadmap transportation targets.
- Budget 2023 includes $100M more, over three years, to support the CleanBC Active Transportation Strategy with capital funding for more active transportation networks that are safe, accessible, and convenient for pedestrians, cyclists, transit riders and motorist – of all ages and abilities. This builds on $48M provided in Budgets 2021 and 2022.
- The B.C. Low Carbon Fuel Standard (LCFS) is the single largest contributor to meeting the targets set out under CleanBC.
- The LCFS increased the carbon intensity reduction requirement from 20% to 30% by 2030 in the gasoline and diesel fuel pools.

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- At a 30% reduction in carbon intensity by 2030, the LCFS is expected to deliver a total of 5.7 million tonnes of reductions in B.C. GHG emissions in 2030, which represents 19% of CleanBC's current 2030 target (with indirect support for an additional 6% from ZEVA).
- Additional policy changes to the LCFS that are supported by the Roadmap include:
  - Recognizing jet fuel as a new category of fuel, and enabling regulations to create other fuel categories, such as marine fuels.
  - Recognizing the use of alternatives to diesel fuel to generate electricity in remote communities not connected to the Provincial grid.
  - Expanding the scope of Part 3 Agreements (soon to be called Initiative Agreements) to increase the supply of low carbon fuels in BC by enabling support for new proponents and new business opportunities.
- In order the meet the increased demand for cleaner fuels, the Roadmap committed the Province to ramping up new production of 1.3 billion litres of renewable fuels by 2030.
- Initiative Agreements under the LCFS currently support projects that could result in the production of 570 million litres of low-carbon fuel by 2028. The Ministry will continue to work with industry to achieve the 1.3 billion litre production goal for 2030.

Clean Industry Successes:

- In 2020, emissions in the industrial sector, excluding oil and gas, were down 9% compared to 2019 and 8% compared to 2007. One driver of these reductions is lower industrial output that was experienced during the COVID-19 pandemic.
- In 2020, emissions in the oil and gas sector were almost unchanged from 2019, and down 7% from 2007. Reductions from baseline can be attributed to reductions the carbon intensity of upstream natural gas production, including reductions in venting and flaring, requiring leak detection and repair, and limiting certain equipment (pneumatic devices, seals, tanks, and surface casing vents).
- In January 2021, Government announced the CleanBC Industrial Electrification Rates comprised of two categories – clean industry and innovation, and fuel switching. The rates provide a 7-year discount from BC Hydro's standard industrial electricity rate: 20% in years 1-5, 13% in year 6 and 7% in year 7.
- In January 2021, Government announced that it directed $84.4M from the Government of Canada's Investing in Canada Infrastructure Program (ICIP) to create a new CleanBC Facilities Electrification Fund that will provide support to customers to reduce the costs of connecting to the electricity grid or upgrading their connections to use more electricity and reduce air pollution.

- The Province invested $83.5M in 32 emissions reduction projects across the province together with industry in 2021 through the CleanBC Industry Fund.
- The Province continues implementation of Canada's first comprehensive hydrogen strategy by a province – the B.C. Hydrogen Strategy (Strategy). To help grow B.C.'s hydrogen economy, the Strategy outlines 63 policy actions to increase the production, use and export of low-carbon hydrogen.
- In March 2022, the BC Hydrogen Office (Office) was established to expand hydrogen development and streamline projects from proposal to construction. In Budget 2023, the Office received funding to staff five positions to help facilitate hydrogen's role to decarbonize sectors where direct electrification is not as practical.
- To lower carbon emissions and drive the transition from fossil natural gas to renewable gas, the Province is putting in place a new GHG emissions cap for BC's natural gas utilities. The cap will be set at 6 Mt of carbon dioxide emissions per year for 2030, which is 47% lower than 2007 levels. Gas utilities will have the flexibility to undertake a broad range of actions and investments to reduce the GHG emissions associated with the use of the natural gas they provide to their customers.

Buildings and Communities Successes:

- Emissions in the buildings and communities sectors have fallen by 12% compared to 2007 levels, driven by decreases in emissions from residential and commercial buildings (-8%).
- The CleanBC Better Homes and Better Buildings program provides financial incentives to help households, businesses and the public sector save energy and reduce GHG through heating equipment replacement and building envelope improvements.
- CleanBC Better Homes and Better Buildings has $71.6M in base funding from fiscal 2023 through fiscal 2025. In February 2022, the program introduced a stand-alone income qualified program, providing high value incentives to low- and moderate-income households, which is complementary to current residential and income-qualified rebates.
- As of March 2022, the program has provided 35,315 residential retrofit rebates, approved pre-registrations for 445 residential new construction projects and disbursed 149 incentives, and approved 264 capital incentives for commercial, institutional, and multi-unit residential building energy efficiency and fuel-switching projects.
- Sixty-one communities now reference the B.C. Energy Step Code in municipal policy or regulation for new building construction. The Step Code sets out a series of energy efficiency requirements beyond the base B.C. Building Code.

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- The Roadmap announced new requirements for all new buildings to be zero carbon and new space and water heating equipment to be of the highest efficiency by 2030.
- In 2022, the CleanBC Remote Community Energy Strategy (RCES) has achieved 5% of the CleanBC commitment to reduce the GHG emissions from diesel electricity generation in remote communities by 80% by 2030.
- RCES programs support the capacity of Indigenous remote communities, and the planning, development and implementation of diesel-displacing energy efficiency and renewable energy generation projects.

Cross Reference:

Zero Emission Vehicles Act/ Regulation
CleanBC Go Electric Program
Clean Transportation Action Plan
Low Carbon Fuel Standard
CleanBC Electrification Rates
CleanBC – Better Homes and Buildings
Renewable Gas Legislation
BC Hydrogen Strategy
Remote Community Energy Strategy

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2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: Decarbonising BC's Natural Gas Public Utility Grid

Drafted/Revised: March 8, 2023

Issue: **Progress to date on development of the Greenhouse Gas Reduction Standard, and regulatory considerations to enable natural gas public utilities to take actions now to achieve their proposed 2030 legislative obligations.**

Response:

- To dramatically lower carbon emissions and drive the transition from fossil natural gas to low carbon gas, we're putting in place a new GHG emissions cap for BC's natural gas utilities.
- The Greenhouse Gas Reduction Standard (GHGRS) implements a commitment in the CleanBC Roadmap to 2030.
- The standard would require gas utilities to further lower GHG emissions from fossil natural gas used to heat homes and buildings and power industry, reducing emissions from around 11 megatonnes in 2007 to about 6 megatonnes in 2030 (a 47% reduction).
- Gas utilities will determine how best to meet the cap, and will have flexibility to undertake a broad range of actions and investments to reduce GHG emissions associated with the use of natural gas they provide to their customers.
- Utility plans are expected to include displacement of fossil natural gas with low carbon alternatives, such as Renewable Natural Gas produced from organic sources and hydrogen produced from natural gas using carbon capture and storage technology. This approach would maintain BC's energy reliability, while giving consumers a choice between electricity and low carbon gas to meet their space and water heating and/or industrial process needs.
- The BC Utilities Commission (the Commission or BCUC) would have the mandate to review gas utilities' plans, investments, and expenditures to ensure they're aligned with the GHG emissions cap, and cost effective, helping to mitigate gas rate increases for people and businesses.
- Cabinet Confidences
- However, public gas utilities will need to take action now to meet the proposed emissions cap.

Continued...

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Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

- Advice/Recommentations

Background/Status:

- Under the CleanBC Roadmap to 2030 (Roadmap), Government has committed to implementing a legislated requirement for FortisBC and Pacific Northern Gas (the gas utilities) to limit the GHG emissions of their buildings and industry (excluding Liquified Natural gas and upstream oil and gas) customers to around 6.04 MT by 2030. This proposed emissions cap aligns with BC's sectoral GHG targets.
- Amendments to the *Utilities Commission Act* are needed to require the gas utilities, under the oversight of the BCUC, to undertake activities and/or invest in technologies to meet this cap but would not specify specific things utilities must do.
- The Commission already regulates gas utilities. Gas utilities would be responsible for seeking approval from the Commission on how they plan to comply with the GHGRS.
- The GHGRS, like similar Roadmap initiatives, would drive substantive increases in natural gas rates as gas utilities seek to recover the costs of meeting the emissions cap from their ratepayers.
- Advice/Recommentations; Government Financial Information

- BCUC oversight will play a key role in mitigating rate increases by ensuring gas utility spending plans are cost effective, and by using existing tools, such as rate levelization and deferral accounts to smooth costs over periods of up to 40 years. Additionally, Government could develop targeted supports, for example expanded energy efficiency incentives for low-income residential customers, and/or enhanced CleanBC funding to accelerate decarbonization for gas-dependent industries like cement, pulp and paper, and agriculture.
- The Ministry is also examining potential implications for BC's long-term energy reliability. Currently, the natural gas grid plays an important role in providing capacity to meet BC's demand during cold weather peaks, supplying around

two-thirds of the energy needed for buildings, industry, and transportation during those periods. The other one-third is provided through BC Hydro's system, operating at its maximum existing capacity (about 11,000 MW).

- While enhanced electrification will be critical to meeting BC's climate targets, it is likely low carbon gas options like low carbon gases would be needed to ensure peak demand can be met in a cost-effective manner, at least over the foreseeable future. Relying solely upon electrification without a substantial build out of BC Hydro's system would create a significant risk that insufficient energy would be available to heat British Columbian's homes and power our industries.
- Cabinet Confidences
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Attachments: **N/A**

Cross Reference: **#24 Climate Aligned Energy Plan – BCUC Mandate**

Contact:

Les MacLaren	Assistant Deputy Minister	Electricity and Alternative Energy Division	778-698-7183

[1] $2021. Under current regulation, the applicable price cap escalates each year with inflation, as measured by the Consumer Price Index.

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Honourable Josie Osborne

Title: B.C. Hydrogen Strategy

Drafted/Revised: March 7, 2023

Issue: B.C. Hydrogen Strategy

Response:

- CleanBC committed the Province to develop a B.C. Hydrogen Strategy (Strategy).
- Hydrogen will be required if the Province is to achieve net-zero greenhouse gas (GHG) emissions by 2050, as hydrogen is one of the only practical replacements for fossil fuels in the hardest-to-abate sectors.
- The Strategy highlights British Columbia's (B.C.) leadership in hydrogen and fuel cells and hydrogen's role in decarbonizing transportation, natural gas, and industry while creating clean jobs and economic opportunities across the Province.
- The Strategy includes 63 policy actions that support and promote the production, use and export of hydrogen in B.C. over the next 10 years, and beyond. The five initial priorities for 2022/23 are: Committing $5 million to a $15 million hydrogen blending study, establishing a declining carbon intensity threshold, planning hydrogen hubs, performing regulatory mapping, and developing a carbon dioxide storage atlas for Northeastern B.C.
- The implementation of the Strategy will continue into 2023/24, including the following priorities: Developing education and safety marketing materials, hydrogen use in communities, labour and skills development, and the continued development of regional hydrogen hubs.
- B.C. is committed to working with Indigenous Nations through partnerships such as the Indigenous Clean Energy Opportunities (ICEO). Hydrogen was selected as a priority area and jointly the First Nations Energy and Mining Council (FNEMC) and EMLI are developing an Indigenous Hydrogen Market Opportunities Analysis to identify opportunities for First Nations to participate in the B.C. hydrogen sector.
- B.C. is participating in the Clean Fuels Working Group within the Federal Regional Energy and Resource Tables to further support hydrogen investment in the Province.

Background:

B.C. Hydrogen Strategy Implementation, 2022/23:

RELEASED

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Honourable Josie Osborne**

- The Strategy builds upon B.C.'s globally recognized hydrogen and fuel cell leadership, and its abundant clean energy resources.
- The Strategy includes 63 policy actions that clarify how the Province will support and promote the production, use and export of hydrogen in B.C. over the next 10 years and beyond.
- In 2022/23, B.C. acted on five initial priorities that were identified as key to growing B.C.'s hydrogen sector. These initial priorities include:
    - Committing $5 million to a $15 million hydrogen blending study jointly led by Enbridge, FortisBC and Pacific Northern Gas to examine the technical, economic, and regulatory requirements to introduce hydrogen into B.C.'s natural gas pipeline transmission and distribution network;
    - Establishing a declining carbon intensity threshold for low-carbon hydrogen production to align with our net-zero by 2050 target;
    - Planning hydrogen hub development in B.C. to promote hydrogen production, use, and exports;
    - Developing a regulatory mapping study and statutory changes to enable hydrogen projects; and,
    - Developing a carbon dioxide storage atlas to quantify the geological storage capacity of Northeastern B.C. and enable the development of low-carbon hydrogen from natural gas.
- EMLI signed a Trusted Partnership with the B.C Centre for Innovation and Clean Energy (Centre) to collaborate in areas that support the Province's clean energy objectives and, more specifically, in areas that align with the initial implementation priorities of the Strategy.
- This partnership will enable the Province to leverage the Centre's ability to act with more autonomy and flexibility than the government to rapidly progress shared climate objectives, and the Centre to build its brand as a key contributor to decarbonization.
- B.C. is also committed to working with Indigenous Nations through partnerships such as the ICEO. This is an initiative fostering the collaboration between the First Nations Leadership Council, FNEMC, and EMLI.
    - Hydrogen was selected as a priority area because it is an upcoming area in which the Province and Indigenous leadership can work together to better understand hydrogen as an energy source, its economic potential, and the impacts on the environment.
    - Jointly, FNEMC and EMLI are developing an Indigenous Hydrogen Market Opportunities Analysis to identify opportunities for First Nations to

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participate in the B.C. hydrogen sector. This work will include development of a report and two workshops.

- On June 1st, 2022 Natural Resources Canada announced the first phase of the Regional Energy and Resource Tables (Regional Tables) as part of a collaborative initiative focused on ensuring provinces and territories are prepared to seize the economic opportunities enabled by the global move towards a low carbon future.
- EMLI is co-chairing the Clean Fuels Working Group, within the Regional Tables, to identify key hydrogen projects with high domestic strategic value warranting Federal and Provincial support.

B.C. Hydrogen Strategy Implementation 2023/24 priorities:

- In 2023/24, B.C. will continue to make progress on priorities that are key to growing B.C.'s hydrogen sector and the commitments outlined in the B.C. Hydrogen Strategy. These priorities include:
  - Developing hydrogen educational, marketing, and safety materials to inform the public;
  - Study the use of hydrogen in communities at the end of the electricity transmission line;
  - Complete a gap analysis to identify resources for hydrogen labour and skills development in B.C.; and,
  - Continue to develop hydrogen hubs alongside industry, interested stakeholders, regional governments, and Indigenous partners.
- Through the execution of two separate Shared Cost Arrangements, EMLI will collaborate with the Fraser Basin Council and the City of Prince George to achieve the priorities listed above.

Cross Reference: 23 – British Columbia Centre for Innovation and Clean Energy
15 – DRIPA Action Plan/Indigenous Clean Energy Opportunities process

Contact:

Les MacLaren	Assistant Deputy Minister	Electricity and Alternative Energy Division	778 698-7183

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: Climate Aligned Energy Framework

Drafted/Revised: March 28, 2023

Issue: Development of a Climate Aligned Energy Framework

Response:

- A Climate Aligned Energy Framework (Framework) will support the delivery of CleanBC Roadmap objectives and legislated GHG emissions reduction targets.
- The Framework will also need to consider other key priorities, such as energy affordability for households and businesses, continued access to reliable clean energy even during periods of peak demand, the energy action framework (including an emissions cap on the oil and gas industry), and Indigenous reconciliation.
- Once finalized, the Framework will provide guidance for Government energy-related policies, which will support decarbonizing BC's energy mix transitioning to a net zero emissions economy over the next 30 years (e.g, Renewable Natural Gas, hydrogen, biofuels, electricity, emissions caps, LNG environmental assessment guidance for net zero emissions plans) .
- The Ministry is collaborating with the Ministry of Environment's Climate Action Secretariat, the Environmental Assessment Office, the Ministry of Jobs, Economic Development and Innovation and energy utilities to move forward on developing the Framework.

Background/Status:

- As part of Premier Eby's December 7, 2022, mandate letter to Minister Osborne, he included expectations for the Minister to make progress on several priorities including:
    - "develop and implement a climate aligned energy framework for B.C. with an overall goal of maximizing our province's production of clean energy to use at home and for export."
- The Climate Aligned Energy Framework will be inclusive of the "new energy action framework" that was announced March 14, 2023 in association with the

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Cedar LNG project environmental assessment certificate approval. This framework committed the Province to:

- require all proposed LNG facilities in or entering the environmental assessment (EA) process to pass an emissions test with a credible plan to be net zero by 2030;
- put in place a regulatory emissions cap for the oil and gas industry to ensure B.C. meets its 2030 emissions-reduction target for the sector;
- establish a clean-energy and major projects office to fast-track investment in clean energy and technology and create good, sustainable jobs in the transition to a cleaner economy; and
- create a BC Hydro task force to accelerate the electrification of B.C.'s economy by powering more homes, businesses and industries with renewable electricity.

- The Ministry is working in collaboration with other agencies, including the Climate Action Secretariat and BC Hydro to undertake analysis to inform the development of the framework that considers BC's potential future energy mix and the extent to which electricity, natural gas, liquid fuels, hydrogen and other resources are relied upon to power BC's vehicles, buildings, communities and industry.
- The framework is intended to support the delivery of CleanBC Roadmap (Roadmap) objectives and legislated GHG emissions reduction targets.
  - In addition to electrification, the Roadmap primarily leverages several other mechanisms such as energy efficiency, demand destruction, low carbon gases and fuels, and carbon pricing to reach its targets.
- Focusing primarily on electrification to achieve BC's climate objectives may create affordability challenges for households and business, energy resiliency challenges during times of winter peak energy use, and significant feasibility challenges related to realistic timelines for the development of infrastructure and availability of clean firm electricity sources. Currently, 16% of BC's energy needs are met through electricity, whereas 67% of these needs are met through fossil fuels.
- Advice/Recommentations

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2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

- Advice/Recommentations
-

Cross Reference: **22 - Decarbonising BC's Gas Grid (GGRR, GHG Reduction Standard)**

26 – Evolving the Role of the BCUC

Contact:

Les MacLaren	Assistant Deputy Minister	Electricity and Alternative Energy Division	778-698-7183

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: Mining Regulatory Excellence

Revised: March 16, 2023

Issue: Advancing near term mining projects into final investment decision and reconciliation with Indigenous Nations

Response:

- Budget 2022 provided $18 million over the next three years to continue the Regulatory Excellence in Mining strategy and support robust and efficient decision-making processes across regulatory agencies. This funding has led to 37 new dedicated staff across 4 natural resource agencies.
- Budget 2023 provides $77 million over three years to help speed up natural-resource permitting and begin work to modernize the permitting service delivery model. Resources allocated to EMLI are still to be determined.
- Under Deputy Minister Board oversight, EMLI is continuing to advance regulatory performance by:
  - Delivering more efficient and effective permitting on priority projects to create quality economic growth opportunities;
  - Enhancing environmental sustainability and outcomes; and
  - Implementing the Province's reconciliation goals by partnering with Indigenous Nations on mining related opportunities.
- The Blackwater mine received its *Mines Act* permit in March 2023, which will reinforce investor confidence in the Province's ability to permit a major mining project in a timely manner with Indigenous support.

Background/Status:

- Building on the outcomes from the Mining Jobs Task Force and engagement with the Business Council of BC through the Low Carbon Industrial Strategy, EMLI is taking a focused approach to regulatory performance in the mining sector through oversight of an Executive Project Board (Board) made up of Deputy Ministers from the natural resource sector.
- The purpose of the Board is to ensure that permitting, issues resolution, environmental assessments (where applicable), and associated reconciliation efforts are conducted in a timely, coordinated, and high-quality manner. The Board's Terms of Reference has recently been revised to ensure continued focus on removing obstacles from permitting.
- Key project activities include:

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- Enhanced project management approaches on major projects;
- Advancing mining opportunities in partnership with Indigenous Nations;
- Assessment of and improvements to the Province's statutory decision-making framework;
- Assessment of project specific economic barriers;
- Advancing policy and legislative reform and Critical Minerals strategy.

- This initiative will contribute to the Province taking advantage of opportunities to become a jurisdiction of choice to supply responsible low-carbon products and critical minerals, and attract investment from a growing pool of investors concerned about environmental, social and governance outcomes.

- Key outcomes to date include:
  - In early March 2023, the Province issued a *Mines Act* permit for the Blackwater Gold project located 112km southwest of Vanderhoof. This was the first "green fields" open pit *Mines Act* permit issued since 2012.
  - Establishment of the Southeast Secretariat (SE Secretariat) as a dedicated cross-agency team that acts as a single point of contact to manage the entire major mines regulatory process in southeast BC.
  - Secured incremental resources to add 38 new Full Time Equivalents (FTE) across mining regulatory agencies to ensure thorough timely reviews, support industry engagement, and address backlogs in regional permitting.
  - Renewed investment of $6.6M in the Ministry's technological systems to ensure internal major mine permitting processes are coordinated and efficient.
  - The Province has negotiated a historic consent-based decision-making agreement based on Section 7 of DRIPA with the Tahltan First Nation on the Eskay Creek mine.
    - This agreement advances reconciliation and honors Tahltan's jurisdiction in land-management decisions in Tahltlan Territory, in recognition of Tahltan's title and rights within its territory.
  - In 2022/23 EMLI approved 9 Major Mine projects:
    - Fording River Operations North Saturated Rock Fill Construction (April 2022)
    - Greenhills Operations Greenhills Creek Antiscalant System (June 2022)
    - Silvertip Mine UG Phase 1 Exploration (June 2022) – Supports future mine expansion
    - Brule Mine Plan amendment (June 2022) – Mine life expansion
    - Wolverine Pit Pushback (July 2022) – Mine life expansion
    - Eskay Creek Permitted Mine Area boundary expansion and material importation from KM32 quarry (August 2022)
    - New Afton C-Zone Mine Expansion (October 2022) – Mine life expansion

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

- Red Chris Block Cave Pre-production and Tailings Thickener Activities (Dec 2022) – Supports future mine expansion
- Blackwater Major Works Construction Activities (March 2023) – New Mine

Contact:

Tania Demchuk	A/Assistant Deputy Minister	Mines Competitiveness and Authorizations Division	778-698-7222

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Title: Permitting Regional Mines

Drafted/Revised: **March 6, 2023**

Issue: **Industry concerns regarding timelines for processing applications for regional mines**

Response:

- The Ministry is aware of industry concerns regarding long timelines for the processing of Notice of Work (NoW) applications for permits on regional mines and has been implementing numerous ways to reduce timelines.
- Regional mines include mineral and coal exploration, placer, aggregate and stone quarries.
- The Ministry has made changes to the permit intake process to streamline the process, and to ensure that applications are received by technical reviewers as early in the process as possible.
- Ministry staff continue to improve the NoW application form and develop accompanying materials to provide more guidance to proponents.
- Ministry staff have also been holding permitting workshops around the province to provide training, share knowledge, and to remain accessible and transparent with industry.
- The Ministry received funding for 13 new positions to help with regional permitting and all these positions have been filled.
- The new resources, along with the process improvements, are helping to reduce the backlog of files and are starting to improve permitting timelines.

Background/Status:

- Permitting timelines have been impacted by the volume of applications being submitted in this high cycle for mineral exploration and Intergovernmental Communications

Intergovernmental Communications

Mandate Commitment – Permitting Timelines:

- The Ministry received funding for 13 new positions to help with regional permitting and all these positions have been filled.
- The new resources and process improvements are having a positive impact on reducing the backlog of applications (currently 116, a reduction of 30% from a backlog of 151 in January 2022) and is starting to reduce permitting timelines for new submissions.

- The Ministry has also made improvements to application forms and has provided guidance to industry to assist them in submitting high quality applications that can be processed faster.

Mandate Commitment – Transparency:

- The Ministry has been providing permitting workshops at industry events around the province to ensure staff are accessible and transparent with requirements.
- Staff have been meeting with the leadership of the Association for Mineral Exploration BC and BC Stone, Sand, and Gravel Association regularly to share permitting data and to remain transparent with progress.
- A new permitting database is allowing data to be collected and analyzed in a timely manner so that adjustments can be made as needed to improve the process; this is improving internal transparency for decision making.
- Regional Operations Branch introduced a permit intake window (batching) pilot project in the fall, for mineral exploration files. The goal is to provide a scheduled approach to permit reviews and provide proponents with more predictability with respect to when their applications will be reviewed and when feedback will be provided to them.

Contact:

Tania Demchuk	A/ADM	MCAD	778 698-7222

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Title: Major Mines Permitting Timelines

Drafted/Revised: **March 31, 2023**

Issue: **Industry concerns regarding timelines for permitting major mines**

Response:

- The Ministry is aware of industry concerns regarding the timelines required to review applications for major mines and has been working on numerous ways to find efficiencies in the process.
- Major Mines include producing mineral and coal mines and applications are typically technically complex, involve multiple agencies, include multiple rounds of review, and significant engagement with Indigenous Nations.
- Expected timeline for referral of Major Works permit to Statutory Decision Making (SDM) is 6 to12 months from acceptance of revised application to permit referral.
- The Ministry has increased permitting staff capacity through additional Full Time Employees (FTE), 5 over the past 3 years.
- The Ministry created a technical compliance branch, with 7 new FTEs in the past 2 years, enabling a shift of compliance and enforcement function off the permitting staff.
- The Ministry has increased Indigenous Relations capacity through the creation of a new branch, with 7 new FTE hired in 2022, and 2 additional FTE planned over the next year.
- Ministry staff have been improving application process and information requirement guidance for proponents.
- The Ministry has implemented the Departure from Approval Policy, with nearly 100 projects being processed in an average of 21 days, since 2020.
- The Ministry is continuously developing and implementing guidance and tools to ensure that the detailed requirements for amendment applications are clear and consistent for industry during the development of their applications, which will result in reduce review timelines.
- Ministry staff have implemented a streamlined review process for small, narrowly scoped, applications that has reduced timelines by 1 to 3 months.
- Timeline Trend - Major project review timelines have reduced from an average of 259 business days to 181 business days since 2019.

Background/Status:

- Timeline Trend - Preliminary analysis of major project review timelines suggest a trend toward more efficient processes:

  - Prior to November 2019, completed major permitting review projects averaged 259 business days (ranging from 123 to 536 business days).
  - Since November 2019, completed major permitting review projects have averaged 181 business days (ranging from 83 to 354 business days).

- The current expected timeline for the review of a Major Works Application, from acceptance of the final Application to referral to the Senior Decision Maker is 6 to 12 months. Recent examples include Blackwater (10 months), New Afton C-Zone (10 months), Kemess Underground Project (7 months).
- Major Work applications are technically complex, require detailed review by Ministry staff, and are subject to timeline extensions created by the proponent or the resolution of Indigenous Nation concerns, which are outside the control of Ministry staff.
- The Major Mines Office has increased its capacity to conduct application reviews with the addition of 5 FTE over the past 3 years. This includes geoscience, geotechnical engineering, and reclamation technical experts and project management staff.
- Prior to 2021, major mines permitting staff also held Indigenous consultation and compliance and enforcement functions. The Ministry has created new branches to enable the Major Mines Office to focus on the application review process. The Technical Compliance Branch was created in 2021. The Priorities Advancement and Indigenous Relations Branch was created in 2022.
- In 2021/22 a total of 38 amendments were processed. In 2022/23 over 30 amendments were processed.
- The Ministry has developed both external and internal policies and procedures to assist in streamlining the application review process, including, updated application information requirements, major mines authorization guide, and improved coordination with the Ministry of Environment and Climate Change Strategies (ENV) on joint applications.
- The Ministry developed and implemented the Departure from Approval process in 2020 to provide a pathway for mine sites to self-assess proposed changes as ‘non-substantial’ as well as a pathway to request that the Ministry make the determination. Since 2020 nearly 100 submissions have been determined to be non-substantial and were able to be implemented by mines without the need for an amendment process. The average time to process these requests is 21 business days.
- The Ministry is continuing development of guidance and tools for industry. These include the Technology Readiness Levels (TRL) guidance, released in 2022, to help development of innovative technologies. The Major Mines Standardized Reclamation Security Calculator, currently under development, will provide a

consistent calculation of reclamation liability cost estimates, in alignment with the Interim Reclamation Security Policy. These tools will help ensure that the requirements for amendment applications are clear for industry, enable more consistent applications, which will result in reduce review timelines.

- The Ministry has developed and implemented a streamlined review process for small, narrowly scoped, applications. This includes expedited pre-application steps and shorter review timelines. Initial results have reduced process timelines by 1 to 3 months.

Contact:

Tania Demchuk	A/ADM	MCAD	778 698-7222

ESTIMATES NOTE (2023) **Confidential** Ministry of Environment and Climate Change Strategy Environmental Protection Division	**SE BC Initiatives**

KEY FACTS

Area-Based Management Plan (ABMP):

- **The ABMP for the Elk Valley is generally working, as it is driving significant investment in water quality (WQ) treatment and it provides a strategy to manage cumulative effects.**
- **WQ targets are being met in most parts of the watershed, but selenium and nitrate levels remain elevated in the Fording River and areas close to the mine sites. An adaptive approach is being taken and adjustments are being made to Teck's treatment plans and other strategies to ensure continued timely progress towards achieving the targets.**
- To address learnings and strengthen environmental protection, Ministry staff have been working on a process to develop amendments (updates) to the ABMP.
- The amendment process will include deep engagement with Ktunaxa, incorporate advice from independent experts, and opportunities for industry, Canadian and US agencies and Tribes, and stakeholders to provide input.
- The amended Plan will be government-owned, reflect improved understanding and science regarding Koocanusa Reservoir, better support adaptive management, and be applicable for all proponents in the valley.
- Completion of B.C. and Ktunaxa Nation Council's (KNC) proposed Koocanusa Reservoir selenium (Se) Water Quality Objective (WQO) will be undertaken as part of a broader process to reassess the ABMP target for Se in the reservoir. That process will be informed by additional monitoring and assessment data, plus other relevant information such as achievability and socio-economic factors.

Water Quality Treatment:

- **Until recently, decades of mining in the Elk Valley have led to significant waste rock accumulation, alteration of land and watercourses, poorly understood environmental impacts, and degrading WQ trends. However, this trajectory is starting to change with Teck Coal Ltd. (Teck) bringing new water treatment facilities online.**
- Levels of Se and nitrate (NO_3) have started to stabilize at some locations in the valley, and Teck is predicting full stabilization and some reductions by the end of 2023 once their fourth water treatment facility comes online.
- Record amounts of Se and NO_3 are now being removed from the watershed and

by the end of 2023 Teck expects to be treating 77 million liters/day representing an investment of close to $2B in water treatment. Teck will be adding new facilities every one to two years, with an expected treatment requirement of 193.5M liters/day by 2042.

  - New Saturated Rock Fill technology is showing effective treatment of selenium and nitrate, and is proving to be a more robust and cheaper technology than the active water treatment facilities that are also being used.
  - Teck continues to make major investments in research and development, and is at the global forefront in developing technologies for both treatment and source control of coal mining impacts.

- Teck is predicting full compliance with all ABMP water quality targets by 2028.

Current State of the Aquatic Environment:

- Monitoring in the valley shows functioning aquatic ecosystems in mainstem water bodies (such as the Elk River). However, chronic toxicity impacts are present in some areas, and many tributaries are heavily impacted both from infill and water quality.
- Monitoring and assessment in Koocanusa Reservoir has not detected ecosystem impacts, although Se levels in the water exceed BC's proposed water WQO, and some fish tissue exceeds thresholds where effects to the fish are possible. The majority of fish tissue samples in Koocanusa (98%) are below the proposed WQO threshold for safe consumption by humans, including at the preferred consumption rate for Ktunaxa people.

Compliance:

- ENV is currently updating its four-year Compliance Plan, which is developed with input from KNC, and includes all 33 of Teck's *Environmental Management Act* (EMA) authorizations.
  - Over 200 inspections have been completed since 2014, including 62 inspections of the Valley-wide EMA permit.
  - Enforcement responses are escalating over time, with increasing numbers of Administrative Penalty (AP) referrals for ongoing non-compliances. Over $17.2M in APs have already been assessed to Teck, and there are 12 more APs in progress.
  - Most notably, on Jan. 31, 2023 Teck was fined over $16.5 million for significant water quality-related non-compliances that occurred between 2019 and 2021 and delays in implementing water treatment.
- Permitting teams continue to prioritize reviews for mitigation projects and other applications that support achievement of ABMP targets, and for Teck to get back into compliance.

Se Water Quality Objective (WQO)

- **A draft Se WQO for Koocanusa Reservoir was developed by ENV and KNC through a rigorous multi-year collaborative and transparent process using the best available data, sound science, and established BC-specific protocols and procedures for developing WQOs.**
- **BC is preparing to proceed to the public comment period on a draft Se WQO for Koocanusa Reservoir later this spring, once the ABMP amendment process has been initiated.**
- Approved WQOs are policy goals in B.C., and represent conditions considered to be of very low risk. They are not regulatory standards, like in other jurisdictions such as the U.S.
- The draft Se WQO water concentration is 0.85 µg/L and the whole-body fish tissue Se WQO is 5.2 mg/kg. These numbers will conservatively protect all water uses and values in Koocanusa, including the most sensitive use which is human health based on a preferred consumption rate by Ktunaxa peoples. The proposed water concentration is similar to background levels, and may be difficult to achieve in the short term given the extent of mining in the watershed.
- Montana's Se standard, which was developed using the same bioaccumulation model used by B.C. (Montana's standard is 0.8 µg/L), continues to be challenged.

Cumulative Effects and Land Stewardship:

- **Cumulative Effects risk assessments indicate valued components (Grizzly Bear, High Elevation Grasslands, Westslope Cutthroat Trout, Bighorn Sheep, Riparian) are at high risk.**
- **Under the leadership of WLRS & FOR, BC is working with Ktunaxa to advance work on key strategic stewardship initiatives including Upper Fording River Westslope Cutthroat Trout Recovery, Cumulative Effects and Land Stewardship Planning.**
- Through the cumulative effects work, the Province and Ktunaxa are establishing objectives and management metrics for each valued component.
- There is a high degree of overlap between the current and proposed mine footprints, leases and licenses with the at-risk High Elevation Grassland (HEG) ecosystem units. Stewardship which applies the full scope of the mitigation hierarchy (avoid, minimize, restore, offset) is required to sustain HEG on the landscape.
- Bighorn Sheep also use HEG and adjacent areas as winter range. Securing portions of critical winter range and maintaining winter habitat function through mitigation are the most pressing stewardship challenges for this highly valued species.
- The Westslope Cutthroat Trout population collapsed in the Upper Fording River in 2019. The Province and Ktunaxa Nation have developed a recovery plan and have collaborated with Teck to implement actions to support recovery. Reducing risk from permitted water withdrawals and advancing instream habitat

improvements are early actions.

- Formal implementation of the objectives through Land Use Planning will be key to addressing current and potential impacts to all valued components.
- A Land Use Planning process has been developed by B.C. and Ktunaxa and has been endorsed by Ktunaxa. B.C.'s endorsement is required prior to starting a Tier 1 Land Use Plan for the Elk and Flathead Valleys that will be applicable to the natural resource sector.

Fording River Extension (FRX) – Readiness Decision

- **The Chief Executive Assessment Officer and Associate Deputy Minister of the EAO has issued a Readiness Decision for the FRX Project to require Teck to submit a revised detailed project description.**
- Teck has the option to submit a revised detailed project description that addresses deficiencies outlined by the EAO through collaboration with the Ktunaxa Nation to include plausible measures to mitigate extraordinarily adverse effects to the environment, the Ktunaxa Nation and its rights. Teck could also withdraw from the Environmental Assessment (EA) process entirely and/or restart another process for a different project.
- FRX has been in the Readiness Decision phase of the EA process since July 2021, to allow time for Teck and the EAO to respond to Ktunaxa's request to suspend all EAs in the Elk Valley and to better understand concerns with the Project resulting in extraordinarily adverse effects on Ktunaxa and its rights due to existing and cumulative impacts.
- Ktunaxa and EAO concluded a facilitated dispute resolution process in December 2022 as provided for by the *Environmental Assessment Act* (2018) to resolve substantial disputes at process milestones. Ktunaxa initiated dispute resolution at the Readiness Decision phase for the FRX project. This was the first dispute resolution process conducted by the EAO under the Act.
- Ktunaxa disputed the EAO's preliminary recommendation for the Readiness Decision that the Project proceed to an EA. Ktunaxa submitted their own recommendation that the Project be terminated on the basis that the project will result in extraordinarily adverse effects on multiple biophysical values, Ktunaxa rights and the Ktunaxa Nation itself.
- At the conclusion of the dispute resolution process, the EAO revised the Readiness Decision recommendation to require Teck to submit a revised Detailed Project Description to address deficiencies identified through the dispute resolution process. Despite best efforts, the EAO did not reach consensus with Ktunaxa on the revised recommendation as Ktunaxa continued to view termination as the appropriate decision at this stage.
- Although the EAO and Ktunaxa did not reach consensus on the Readiness Decision recommendation, Ktunaxa has indicated an openness to the consideration of Teck submitting a different project that is more compatible with Ktunaxa rights and one that accounts for existing conditions. Ktunaxa also support the approach to specify requirements for engagement and information in

a revised Detailed Project Description with the proviso that Ktunaxa continue to recommend termination.

- As an outcome of dispute resolution and discussions about jurisdiction and self-determination in decision-making, Ktunaxa requested that an agreement under Section 7 of the *Declaration on the Rights of Indigenous Peoples Act* be explored with respect to Ktunaxa consent for projects proposed in Qukin ʔamakʔis (the Elk Valley).

Intergovernmental Communications

Intergovernmental Context:

- **The Province is undertaking a comprehensive approach to addressing transboundary water quality concerns which includes:**
  - **Strengthening regulatory requirements for Elk Valley mining operations including amendments to provincial permits and to the ABMP, including release of the Se WQO for Koocanusa Reservoir;**
  - **Continued compliance and enforcement activities to hold Teck accountable;**
  - **Increased transparency of regulatory efforts, and data and monitoring activities, through the launch of a new Elk Valley Water Quality Hub website which occurred on Feb. 17, 2023;**
  - **Providing input into the federal government's proposed Coal Mining Effluent Regulation; and**
  - **Enhancing transboundary governance, coordination, and information sharing.**
- There continues to be pressure from U.S. federal agencies, U.S. Tribes and Ktunaxa Nations for International Joint Commission (IJC) involvement to improve water quality in the Elk Valley and Koocanusa Reservoir.
- The Province continues to work with all parties to improve water quality in the area without the involvement of the IJC.
- B.C. will make further improvements to these initiatives should issues be identified that are not currently captured.
- The federal government is also considering options for an alternative approach to the IJC. B.C. has requested collaboration and coordination between B.C. and Canada, and with Ktunaxa, to ensure the approaches are aligned to provide comprehensive environmental protection that addresses Ktunaxa's concerns.

Contact: A.J. Downie, Director, SE Coal Mining Team
EPD, 250-802-7149

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: Mining Competitiveness

Drafted/Revised: March 22, 2023

Issue: Challenges and opportunities for British Columbia's mining sector competitiveness

Response:

- The competitiveness of British Columbia's (BC) mining sector is key to attracting investment to mineral exploration and mine development.
- The Province's fiscal incentives, rich mineral deposits, world-class infrastructure and abundant source of clean and affordable energy continues to make BC an attractive jurisdiction for mine investors with approximately $691 million invested in BC companies and assets in 2022.
- The Province is advancing initiatives to leverage and promote BC's Environmental/Social/Governance (ESG) strengths such as low carbon footprint, commitment to reconciliation and strong regulatory regime.
- Budget 2023 provides $6 million over 3 years to develop a Critical Minerals Strategy to support future development in critical minerals extraction and value chain opportunities.
- Budget 2023 provides $77 million over three years to help speed up natural resource permitting and begin work to modernize the permitting service delivery model.
- The Blackwater mine received its *Mines Act* permit in March 2023, which will reinforce investor confidence in the Province's ability to permit a major mining project in a timely manner with Indigenous support.

Background/Status:

- The Ministry of Energy, Mines and Low Carbon Innovation (EMLI) service plan highlights EMLI's commitment to position BC as an attractive, responsible, and competitive jurisdiction for investment in the mining sector.
- On April 12, 2022, the Fraser Institute released its annual report ranking jurisdictional investment attractiveness for 2021; BC ranked 16th out of 84 jurisdictions for overall investment. In 2020, BC ranked 17th.
- The Mining Association of BC (MABC) and independent studies commissioned by EMLI have noted the carbon tax as impacting the competitiveness of BC operations, in addition to low ore grades, distance of mines to tidewater, and regulatory complexity.

- To address these challenges, support growth and competitiveness more broadly and support economic recovery from the COVID-19 pandemic, the Province has implemented a wide range of initiatives to support mining in BC.

Fiscal Measures

- Budget 2019 made the Mining Flow-Through Share Tax Credit and the BC Mining Exploration Tax Credit permanent incentives, and extended the New Mines Allowance for 5 years.
- Budget 2020 removed location restrictions on pollution control and waste management machinery/equipment from the Provincial Sales Tax exemption.
- The BC Mining Customer Payment Plan (2016-21) enhanced BC's competitiveness by allowing mines to defer electricity payments during low commodity price cycles. EMLI is now evaluating reimplementing this program and making it permanent as recommended by the Mining Jobs Task Force (MJTF).

Permitting

- Incremental resources were secured through Budget 2022 to add 38 new Full Time Equivalents (FTEs) across mining regulatory agencies to ensure thorough, timely reviews and address backlogs in regional permitting.
- Budget 2023 provides $77 million over three years to help speed up natural resource permitting and begin work to modernize the permitting service delivery model. Funding will be used to support an additional 160 staff across several ministries to reduce permit backlogs, allow projects to move forward and unlock economic potential.

Carbon Tax

- Budget 2023 announced that on April 1, 2024 BC will transition from its current industrial carbon pricing system, the CleanBC Program for Industry, to a made-in-BC Output-Based Pricing System (OBPS). These changes will ensure that BC's carbon pricing regime meets federal stringency requirements.
- Further policy development and engagement to finalize the details of BC's OBPS will be conducted over 2023 by the Ministries of Environment and Climate Change Strategy and Finance.
- The Climate Action Secretariat has implemented the CleanBC Industrial Incentive Program to support industrial emissions reductions and minimizes carbon leakage by supporting industrial competitiveness.
- The CleanBC Industry Fund (CIF) invests a portion of carbon tax revenues into businesses working on emission reduction projects, including mining companies. Approximately $40 million of funding was invested in all CIF projects for 2021/22. Funding allocations to mining have been substantive, with a combined total of

approximately $19 million invested across seven projects in 2020 and 2021 (Attachment 1).

ESG

- EMLI is working to position BC as a leading jurisdiction to attract ESG investment capital that has been valued at over $100 trillion globally through branding efforts and a digital platform to surface relevant ESG data in a verifiable way.
    - The Mines Digital Trust pilot is underway in partnership with the Ministry of Citizen Services.
    - Through StrongerBC, the ESG Centre of Excellence is being established to provide support to BC businesses to develop, promote and market their goods and services under a provincial ESG brand.

Critical Minerals

- Budget 2023 provides $6 million over three years to develop a BC Critical Minerals Strategy. The strategy will aim to drive potential future clean economic development through increased access to geoscience to facilitate critical mineral exploration and production, and assess potential for critical minerals processing, manufacturing, and recycling.

<u>2022 Investment in mining and mineral exploration in BC</u>

- 2022 saw investment of $691 million in mines and advanced projects.
- Exploration expenditures in BC totalled an estimated $740M in 2022 which was up from $660M in 2021. This is the highest amount on record for the province. Approximately 61 percent of these expenditures were made in northwest BC.

Attachments: Attachment 1 – CleanBC CIF Funded Mining Projects

Contact:

Tania Demchuk	A/ADM	MCAD	778-698-7222

CleanBC industry Fund – Funded Projects					
Year	**Funding (CA$)**	**Mining Projects**	**Project Name**	**Project Description**	**Company**
Emissions Performance Projects					
2021	$448,243	Newcrest Red Chris mine	Fuel Switching project	Switch from diesel generator to the BC Hydro electricity grid	Newcrest Red Chris Mining Ltd.
2021 Total	**$448,243**				
2020	$8,000,000	Copper Mountain Mine	Energy Efficiency, Renewable Energy project	Pilot an electric trolley system for haul trucks	Copper Mountain Mine Ltd.
	$7,950,000	Brucejack Gold Mine	Fuel Switching project	Switch from 13 diesel powered haul trucks with seven electric haul trucks	Pretium Resources Inc.
	$512,137	Fording River Operations	Fuel Switching project	Replace two diesel buses with two zero emission electric buses	Teck Resources
	$512,137	Greenhills Operations	Fuel Switching project	Replace two diesel buses with two zero emission electric buses	Teck Resources
	$768,670	Highland Valley Copper Operations	Fuel Switching project	Replace existing tractor trucks with a zero emission electric truck	Teck Resources
	$325,000	Line Creek Operations	Waste Heat Recovery project	Install heat exchange units and upgrade the fans to variable speed operation	Teck Resources
2020 Total	**$18,067,944**				
2019	$439,441	Mount Milligan Mine	Fuel Switching project	Replace all diesel-powered generators with electric-powered equipment	Centerra Gold Inc.
	$2,000,000	Copper Mountain Mine	Fuel Switching, Energy Efficiency project	Pilot an electric trolley system for 4 haul trucks	Copper Mountain Mine Ltd
	$434,823	Trail and Elkview Operations	Fuel Switching, Process Improvement project	Pilot a zero-emissions shuttle program with two electric buses for staff at its Elkview mining operation & to replace the burner head in its smelting furnace at its Trail operation with a more efficient model.	Teck Resources
2019 Total	**$2,874,264**				

Project Feasibility Studies					
2021	$174,093	Copper Mountain Mine	Electric Haul Truck Trolley Assist System study	Study will determine the technical and economic feasibility of adding corners to a haul truck trolley assist system	Copper Mountain Mine Ltd.
	$350,000	Teck Trail Operations	Carbon Capture, Utilization and Storage Pilot Plant study	The study will assess the feasibility and determine the appropriate technology and associated cost estimate for a carbon capture, utilization, and storage facility	Teck Resources
2021 Total	**$524,093**				
Grand Total of CleanBC Industry Fund - Funded Projects	**$21,914,544**				

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: **Potential International Joint Commission (IJC) Reference in the Southeast (SE) on Selenium in the Koocanusa Reservoir**

Drafted/Revised: March 13, 2023

Issue: **Ongoing transboundary water concerns stemming from coal mining in the SE resulting in pressure from the US, Ktunaxa First Nations, and US Tribes for a reference to the IJC.**

Response:

- Advice/Recommentations

- The Province welcomes a dialogue with all stakeholders to identify specific gaps in existing and proposed approaches to resolving these concerns.
- Advocates for IJC involvement have not clearly articulated a rationale for this request nor a specific issue that can't be resolved bi-laterally with existing or proposed initiatives. Given the significant efforts underway to address water quality and related issues, BC's position is that an IJC reference would be duplicative and would add an additional complex transboundary in an area with significant regulatory processes underway.
- BC continues to make progress on responding to concerns that have been raised, with new tools being developed to increase accessibility and transparency of information and data related to water quality and regulatory activities in the Elk Valley.
- BC continues to engage with Ktunaxa First Nations (Ktunaxa) to understand and address concerns related to mining in the Elk Valley, to develop a vision for mining that benefits communities and protects the environment.
- The southeast of BC remains an area of significant economic importance for the Province. Currently operating metallurgical coal mines in the Elk Valley account for most of Canada's coal production and exports, with steelmaking coal being BC's largest single export (13% of total exports). Recent numbers show that Teck's four steelmaking coal mines generate $4B in production value.
- Addressing water quality is a key priority for the Province and we continue to work and innovate with industry through our strong regulatory systems.
- We look forward to continuing to with Ktunaxa, United States (US) Tribes, US and Canadian federal agencies, and the state of Montana to collaborate and address these concerns.

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Minister Responsible: **Josie Osborne**

Background/Status:

- Over the past several decades metallurgical coal mines operated by Teck Coal Ltd. have resulted in elevated selenium (Se) levels in the Elk Valley watershed and Koocanusa Reservoir.
- Concerns over selenium levels in the Elk River, Koocanusa Reservoir, and the Kootenai River have been raised by US state and federal agencies, stakeholders, and Indigenous Nations on both sides of the Canada/US border.
- The Montana Department of Environmental Quality (MT DEQ), Ktunaxa Nation Council (KNC), and the individual Ktunaxa First Nations who form the KNC, Kootenai Tribe of Idaho, Confederated Salish and Kootenai Tribes, US Environmental Protection Agency (EPA) as well as members of the US Senate requested that the US and Canadian federal governments initiate an IJC reference on these issues.
- KNC and Ktunaxa are also continuing to pursue a joint reference relating to selenium levels in the Koocanusa Reservoir.
- The IJC was created through the Boundary Waters Treaty of 1909. It was established to approve projects that affect water levels and flows across the boundary and to investigate transboundary issues and recommend solutions. The IJC was established by both countries because they recognized that each country is affected by the other's actions in lake and river systems along the border.
- Government Financial Information; Intergovernmental Communications

- Monitoring and assessment programs in BC have not detected aquatic ecosystem impacts from selenium in the reservoir. A recently completed Human Health Risk Assessment also did not identify any selenium-related risk from fish consumption in the reservoir.
- The Province is undertaking a comprehensive approach to addressing transboundary water quality concerns which includes:
    - Strengthening regulatory requirements for Elk Valley mining operations including amendments to provincial permits and to the Area Based Management Plan (ABMP), including release of the Se Water Quality Objectives for Koocanusa Reservoir;
    - Continued compliance and enforcement activities to hold Teck accountable;
    - Increased transparency of regulatory efforts, and data and monitoring activities, through the launch of a new Elk Valley Water Quality Hub website which occurred on Feb. 17, 2023;

- Providing input into the federal government's proposed Coal Mining Effluent Regulation; and
- Enhancing transboundary governance, coordination, and information sharing.

- The Province continues to work with all parties to improve water quality in the area without the involvement of the IJC.
- BC will make further improvements to these initiatives should issues be identified that are not currently captured.

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Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Title: Mineral Tenure Act (MTA) Modernization

Drafted/Revised: **May 4, 2022**

Issue: **Modernizing the MTA in consultation and cooperation with First Nations and First Nation organizations**

Response:

- Modernizing BC's colonial mineral tenure system, including the Mineral Tenure Act (MTA), is a longstanding priority for First Nations and First Nations organizations.
- The Ministry of Energy, Mines, and Low Carbon Innovation (EMLI) committed to modernizing the MTA under the Declaration Act Action Plan.
- EMLI is working with First Nations and First Nation organizations to develop a path forward on consultation and cooperation.
- Multiple stages of engagement are anticipated – and all First Nations will have multiple opportunities for involvement.
- The MTA is complex – and deep consultation will require significant time and resources.
- There will be a parallel engagement process with industry, labour, and other partners.
- This will be challenging work – but by working closely with First Nations and First Nation organizations, industry, and communities, we can modernize the MTA while maintaining a strong, sustainable mining industry that continues to contribute to reconciliation and economic prosperity.
- Gitxaala and Ehattesaht First Nations have launched parallel legal challenges in BC Supreme Court, challenging parts of the current mineral tenure system. The Province cannot comment on matters before the Courts.

Background/Status:

- The MTA sets out BC's laws for registering and maintaining mineral tenure – which determines where people can explore for, develop, and produce minerals.
- Currently, BC's mineral tenure system does not require consultation with First Nations before mineral claims are registered. Consultation commences when permitting applications are pursued for exploration activity on the ground.
- Previous MTA engagement in 2018-9 with First Nations, industry and partners indicates complex and diverse interests surrounding the MTA, particularly between

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Minister Responsible: **Josie Osborne**

First Nations' modernization priorities and industry's views on maintaining competitiveness.

- Previous engagement around MTA modernization paused in 2019 to accommodate collaborative work on the Declaration on the Rights of Indigenous Peoples Act (Declaration Act) and its implementation.
- In March 2022, a public-facing commitment to modernize the MTA in consultation and cooperation with First Nations and First Nations organizations was added to BC's Declaration Act Action Plan.
- Intergovernmental Communications

- The MTA modernization process will align with the DAS's interim guidance on implementing the Declaration Act and will include multiple stages of engagement with First Nations, modern treaty First Nations, First Nations organizations, and other Indigenous representative groups.
- Intergovernmental Communications

- Gitxaala and Ehattesaht First Nations have both filed petitions in BC Supreme Court, challenging elements of BC's mineral tenure system. The hearing began in April 2023 and is expected to conclude in early May.
- The petitions include claims that (1) the Province has a constitutional duty to consult with First Nations before granting mineral claims on land subject to rights and title claims; (2) parts of the mineral tenure system conflict with the Declaration Act and the UN Declaration.
- The potential scope of MTA modernization is expected to include ideas from previous MTA engagement in 2018-9, the Gitxaala and Ehattesaht cases, the Declaration Act, the First Nations Energy and Mining Council's "Indigenous Sovereignty: Consent for Mining on Indigenous Lands" report, and recent legislative reforms by other natural resource sectors.

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Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Appendix 1: Inventory of production and consumption fiscal measures pertaining to the oil and gas sector.

Production-focused measures

Measure Name	Measure Description	Who Qualifies	Does Clean Tech/Energy Qualify?	Estimated Cost/ forgone revenue	Last Decision on this Policy	Rationale for this Measure
Natural Gas Tax Credit	Corporate Income Tax (CIT); Credit calculated at 3% of the cost of natural gas and can reduce effective BC corporate income tax rate from 12% to 9% - making BC more competitive with Alberta (AB) at 8%	Qualifying corporations that own natural gas immediately after the natural gas passed through a liquefied natural gas (LNG) facility inlet meter for a major LNG facility	No	Credit not yet claimed; generates CIT that may otherwise be paid to AB	BILL 10 – 2019 INCOME TAX AMENDMENT ACT, 2019, April 11, 2019;	Encourages companies to keep their sales operations in BC and pay BC CIT, instead of having CIT leaked to AB;
Long Term Royalty Agreement	A long-term royalty agreement would establish the royalty to be paid by the person to the government, and the method of calculating the royalty, on petroleum or natural gas produced from a specified location or class of locations. Such an agreement would provide long-term certainty for an investor/producer of natural gas.	Minister may, with the approval of the Lieutenant Governor in Council, enter, with a person, into an agreement establishing the royalty to be paid by the person to the government, and the method of calculating the royalty.	Yes, if the methane were to be used to produce clean hydrogen (produced using either CCS or pyrolysis)	If market prices exceed the price stated in the agreement, then the province would forego those potential revenues	Sole agreement signed in 2015 and was tied to the now cancelled Pacific NorthWest LNG project	Providing long-term certainty (stability) on royalty payments can provide a greater level of certainty for investors.
Specified Major Projects – Provincial Sales Tax Deferral	Provincial Sales Tax (PST); Replaces upfront PST obligation arising from taxable construction costs with future operating performance payments, subject to negotiation	Projects as specified under Part 5.1 of the Provincial Sales Tax Exemption and Refund Regulation, B.C. Reg. 97/2013	Yes, provided size of investment and economic benefits are multi-billion dollar in nature	For LNG Canada: $596 million in deferred payments over 20-year period beginning Nov. 2018	B.C. Reg. 196/2018 and Order in Council 513/2018, approved and ordered October 2, 2018	Deferred PST payments improves project cash flow and defers payments until major project has been underway for some time to compete nationally and globally.
Standard industrial electricity rates	Provides BC Hydro industrial electricity rates and some related. transmission infrastructure to industrial facilities in B.C., including LNG	BC Hydro Customers with transmission accounts use large amounts of energy and invest in electrical infrastructure that allows them to receive service at high voltage. Most transmission accounts receive service under rate schedule 1823 of the Electric Tariff	Yes, provided the Clean Tech/Energy firm is an industrial facility[1];	No Cost	B.C. Reg. 197/2018 and Order in Council 512/2018, approved and ordered October 2, 2018	Many BC industries are energy-intensive and globally competitive; the provision of standard B.C. industrial rates improves project economics and global competitiveness and creates a level BC playing field among all industrial users.
CleanBC Industrial Incentive Program[2]	Provides up to 100% of incremental carbon tax paid beyond $30/metric.	Open to all industrial operations that are required to report under the	Yes, provided it is an industrial operation subject to GGIRCA	$170 million annually	Generally, set by policy & B.C. Reg. 580/2019 and Order	Provides B.C. industries the ability to compete in global markets more effectively where

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	tonne of CO2e if facility exceeds (meets) world leading intensity. standard (benchmark reviewed every 5 years)	Greenhouse Gas Industrial Reporting and Control Act (GGIRCA) – generally emit more than 10,000 tonnes of CO2e per year			in Council 231/2019, approved and ordered October 2, 2018	competitors may be located in jurisdictions with low or no carbon price.
PST Exemption for Production machinery and equipment (PM&E)	Provides an exemption to help reduce the cost of certain PM&E for businesses in the manufacturing, software development, Local government power generation, oil and gas, mining and logging industries	Broad exemption open to many industries; qualifying manufacturers may include boat builders, dental laboratories, potters, , etc.	Yes, would generally qualify[2]	$186 million annually across all industries; Oil & Gas sector accounts for about $87 million	Exemption was originally created in 2001, was reinstated as part of the return to PST	B.C. administers one of the only three remaining retail sales taxes (RSTs) in Canada; RSTs disincentivize business investment by taxing production inputs, as compared to provinces with no sales tax (e.g. Alberta) or with value-added taxes (six provinces), the PM&E exemption helps B.C. maintain a more competitive RST[3].

[1] Clean Tech/Energy firms can access The CleanBC Industrial Electrification Rates that intended to help existing and new industrial customers connect to BC Hydro's grid by offering discounted rates to encourage the use of clean electricity – LNG does not qualify for these beneficial rates.
[2] This is system is changing in Budget 2023, with implementation in 2024.
[3] General exemptions include specific tests that would need to be assessed on a project or facility basis. The Ministry of Finance is available to provide a determination on a case-by-case basis.
[4] Canadian provinces and American states with RSTs generally provide broad machinery and equipment exemptions to avoid taxing inputs on the production of finished products that will often be taxed as consumption goods.

Consumption-focused measures

Measure Name	Measure Description	Who Qualifies	Does Clean Tech/Energy Qualify?	Estimated Cost	Last Decision on this Policy	Rationale for this Measure
Residential PST exemption for consumption of electricity, natural gas, fuel oil	PST exemption Provides a PST exemption to reduce the cost of residential energy	Residential consumers of electricity, natural gas, and fuel oil	Yes, to the extent the energy is produced by a Clean Tech solution and consumed by residential users.	$289 million annually	N/A	Provides an exemption to reduce the cost of necessities
Greenhouse Carbon Tax Relief Grant	Provides carbon tax relief to B.C. commercial vegetable, floriculture, wholesale nursery and forest seedling operations, up to 80% of the carbon tax paid by eligible. growers on their purchase of natural gas and propane	Corporation, partnership, or individual(s) operating a commercial greenhouse in B.C. for the entire 2022 production year, and is using natural gas or propane in the operation of their Eligible Production Area	No, carbon tax relief for consumption of natural gas and/or propane	N/A	N/A	Reduce the economic cost of energy-intensive commercial greenhouse operations.

	consumed for heating and producing CO2 for eligible production greenhouses	for heating or the production of CO2 for Eligible Crop fertilization.				

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Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Title: Critical Minerals

Drafted/Revised: March 17, 2023

Issue: Efforts to advance critical minerals priorities for BC

Response:

- Critical minerals are metals and non-metals that are considered essential to the economy and whose supply may be at risk due to geological scarcity, geopolitical issues, trade policy or other factors.
- British Columbia (BC) contributes to Canada's critical minerals supply chain as the largest producer of copper and only producer of molybdenum.
- BC has potential to produce other critical minerals andongoing geoscience work is required to better understand this opportunity.
- In December 2022, the Minister of Energy, Mines and Low Carbon Innovation's mandate letter contained direction to *"expedite a provincial critical minerals strategy that positions British Columbia to take advantage of the emerging clean global economy."*
- Budget 2023 provides $6 million over three years to develop a BC Critical Minerals Strategy. Strategy development will take a phased approach, incorporate engagement with Indigenous Nations and industry to develop a BC-specific approach.
- The strategy aims to drive potential future clean economic development through increased access to geoscience to facilitate critical mineral exploration, and assess potential for critical minerals processing and manufacturing.

Background/Status:

- Demand for critical minerals is projected to rapidly increase to meet increased demand for green technologies and infrastructure. For example, demand for nickel, copper, and cobalt to produce electric vehicle batteries is expected to increase by 14x, 10x and 3x, respectively, by 2030, according to BloombergNEF.
- In March 2021, Canada published a Critical Minerals list identifying minerals of key national importance. The list includes 31 minerals considered critical to economic success to Canada and key trading partners.
- BC provided input on the development of the federal list and is participating in federal/provincial/territorial tables to advance critical minerals development in Canada.
- Canada announced $3.8 billion over eight years (commencing in 2022-23) in Budget

2022 to implement Canada's first Critical Minerals Strategy to capitalize on the growing need for these minerals. The Strategy was launched in December 2022.

- In March 2023, the Canadian Government announced over $344 million in funding under the Canadian Critical Minerals Strategy for five new programs and initiatives including a Critical Minerals Technology and Innovation Program, Critical Minerals Geoscience and Data Initiative, Global Partnerships Program, Northern Regulatory Initiative, and the renewal of the Critical Minerals Centre of Excellence.
- The United States, United Kingdom, and some provincial governments (Saskatchewan, Quebec, Ontario, Alberta) have invested significant resources in plans to capitalize on the growing demand for critical minerals and to ensure strong, reliable supply chains. Other jurisdictions are actively developing strategies.
- BC has substantial potential to produce additional critical minerals and to develop a full critical minerals value chain, including development of greater refining, smelting, manufacturing, and recycling capacity.
- Budget 2023 provides $6 million over three years to develop a BC Critical Minerals Strategy. The strategy aims to drive potential future clean economic development through increased access to geoscience to facilitate critical mineral exploration and assess potential for critical minerals processing and manufacturing.
- The Ministry is taking a data-driven, collaborative approach to developing the BC Critical Minerals Strategy. The $6M funding for strategy development will be directed to support:
    - Geoscience inventory and analysis work, and Indigenous-focused geoscience outreach,
    - Economic analysis of BC's critical mineral development and value chain potential,
    - Engagement with First Nations and stakeholders including industry, academia, and others through initiation of an Advisory Committee to help shape the Strategy, and
    - Further engagement with Indigenous communities and organizations, consistent with the *Declaration Act*.
- The Ministry sees the BC Critical Minerals Strategy as complementary to the federal strategy while advancing provincial interests. BC is engaging with federal counterparts to explore opportunities for collaboration on critical minerals initiatives, including funding for Indigenous engagement, geological assessments and downstream/manufacturing/recycling related activities.

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- Critical minerals are a key area of focus for the recently initiated Regional Energy and Resources Table (RERT) between BC and Canada to seize on economic opportunities enabled by the global low-carbon transition.

- RERT is the probable avenue for BC to access a portion of the $3.8 billion in federal funds earmarked for critical minerals in Canada.

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Title: **Overview of British Columbia's Natural Gas Industry**

Drafted/Revised: **March 10, 2023**

Issue: **British Columbia's natural gas industry plays a key role both for the province's economy and as a reliable and affordable source of energy**

Response:

- British Columbia is Canada's second largest producer of natural gas and plays a key role in meeting both domestic demand as well as in neighbouring jurisdictions in the Pacific Northwest as well as across Canada.
- British Columbia's natural gas industry has a significant role in British Columbia's economy regularly invests between $5 billion and $9 billion on an annual basis.
- Over 1 million household and businesses rely on British Columbia's natural gas for heating, to cook food and more recently natural gas has started to be used more extensively in our transportation system.

Background/Status:

- British Columbia is Canada's second largest producer of natural gas and if viewed independently is the world's seventeenth largest natural gas producing jurisdiction in the world ahead of exporting countries such as Nigeria and Indonesia.
- In 2022, British Columbia produced over 6 billion cubic feet per day (Bcf/d) of natural gas. Just under 20 per cent of this is consumed domestically, with the remainder exported through pipelines into Washington State or into Alberta.
- Natural gas is produced in the northeastern part of British Columbia, predominantly from the Montney Formation. Development of tight gas in the Montney Formation is the primary factor behind British Columbia's gas production more than doubling from 2010, when production averaged 2.88 Bcf/d.
- Provincial revenues (royalties along with bonus bids, rents on drilling rights and leases) from natural gas development totaled $1.05 Billion in 2021/22. Due to higher prices and increased production, revenues are currently projected to exceed $2.2 Billion in 2022/23 and remain above $2.0 Billion in 2023/24.
- Several pipelines transport natural gas produced in British Columbia including Enbridge's Westcoast Pipeline (also referred to as the Enbridge BC Pipeline) and pipelines operated by FortisBC and Pacific Northern Gas (PNG). FortisBC and PNG supply natural gas to most of the domestic, commercial and industrial users in the province and are regulated by the British Columbia Utilities Commission.

- Several liquefied natural gas (LNG) export facilities have been proposed in the province with only two having advanced to either commence construction (LNG Canada) or commence site preparation ahead of construction starting (Woodfibre LNG).
- FortisBC operates two smaller scale LNG facilities: Tilbury LNG, on Tilbury Island near Vancouver, and Mt. Hayes, near Ladysmith on Vancouver Island.
    - Tilbury has been in operation since 1971. It serves local markets during peak winter demand, provides LNG for marine bunkering as well as fleet vehicles, and has, in recent years, started producing LNG for electricity generation in Whitehorse, Yukon, and Inuvik, Northwest Territories.
    - Mt. Hayes was built in 2011 and provides gas to customers on Vancouver Island during high demand periods or gas system outages.
- Nearly 30 per cent of the energy used in British Columbia comes from natural gas according to the Canada Energy Regulator (CER). FortisBC alone supplies natural gas to approximately 1.2 million customers (households & businesses).
- According to Statistics Canada, British Columbia's oil and natural gas sector employed over 50,000 individuals in 2021. Many of these (over 40,000) are classified as oil and gas engineering construction and are primarily engaged in the construction of oil and gas lines, mains, refineries, and storage tanks.
- As well, from an annual survey conducted by Statistics Canada, companies in British Columbia's oil and gas sector regularly invest between $5 billion and $9 billion in new developments (capital expenditures) and on-going operations (operating expenditures) in British Columbia.
- According to the *Provincial Inventory of Greenhouse Gas Emissions*, emissions from British Columbia's oil and gas sector totaled 12.8 million tons in 2020 which is over 1 million tons lower than what was recorded in 2007 (despite more than double the production). In the *CleanBC Roadmap to 2030*, the Province made a commitment to reduce emissions from oil and gas by 33-38 per cent by 2030, compared to 2007 levels.

Contact:

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2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: LNG Projects: Status and Facts (inc Emissions)

Drafted/Revised: March 13, 2023

Issue: Liquefied Natural Gas (LNG) and Liquefied Petroleum Gas (LPG) projects at various stages of development

Response:

- British Columbia's natural gas industry is operated by the private sector. The development of an LNG export facility is based on the commercial viability of each project and takes many years before operations can commence.
- Global demand for LNG and LPG products, such as propane, continued to expand in 2022 and looking ahead these energy products are expected to continue to play a significant role around the world.
- British Columbia's natural gas and propane export projects have continued to evolve with three projects having already shipped cargoes to global markets.
- One project (LNG Canada) is currently under construction and others have signaled that they could commence construction in 2023.

Background/Status:

LNG Projects

Tilbury LNG:

- The Tilbury LNG facility has been operating since 1971, contributing to the security of supply of BC's natural gas distribution system in the lower mainland. The facility is owned and operated by FortisBC.
- The Phase 1A expansion has been completed and is part of a two-phase, $4.5 billion build out plan for the facility. The $425 million Phase 1A involved a new liquefaction train and storage tank brought into commercial service in 2018.
- The FortisBC plan to further develop the facility over the next 5 years would see additional liquefaction and infrastructure to support LNG marine bunkering (Tilbury Marine Jetty and Phase 1B) developed, followed by additional storage and processing capacity for LNG export (Phase 2).
- At present the facility has the ability to produce 0.25 million tonnes per annum (MTPA) of LNG. At full capacity (inclusive of Phase 2) the facility would be capable of producing nearly 3.5 MTPA.
- FortisBC and Seaspan are proposing the Tilbury Marine Jetty, which is currently under consideration for its Environmental Assessment Certificate (EAC).

- Fortis' Tilbury facility can play a key role in meeting the growing demand for LNG by the marine sector within the Port of Vancouver, the Port of Prince Rupert, and other major ports on the west coast of North America.
- Expansion of the Tilbury facility has been opposed by a number of municipalities and First Nations including the cities of Vancouver, Richmond and Port Moody, and Tsawwassen, Squamish and Tsleil-Waututh First Nations.
- In August 2022, the Musqueam Indian Band (MIB) announced that it had signed an agreement with FortisBC that could see MIB have an equity ownership stake in the project. In January 2023, the Snuneymuxw First Nation signed an agreement with FortisBC to work in close collaboration on the Tilbury projects.

LNG Canada:

- The LNG Canada Project is a 28 MTPA facility that is located near Kitimat. In 2018 the project announced a positive Final Investment Decision on the first phase of development and is currently constructing the first two trains that would produce and export 14 MTPA.

Woodfibre LNG:

- The Woodfibre LNG Project is a proposed 2.1 MTPA facility that is located near Squamish BC. In October 2020, Woodfibre LNG Ltd. Received a 5-year extension for the deadline of their EAC.

Cedar LNG:

- The Cedar LNG Project is a proposed floating liquefied natural gas facility in Kitimat, within the traditional territory of the Haisla Nation. The project is being proposed by the Haisla Nation and Pembina Pipelines and would export 3 MTPA of LNG.
- The project would receive its natural gas from the Coastal GasLink pipeline, the same pipeline that is providing feedstock to LNG Canada.
- In March 2023, Cedar LNG received an EAC from the BC Environmental Assessment Office (EAO). The BC EAO also carried out a federal impact assessment under a substitution agreement and federal approval was granted shortly after BC's.
- In March 2023, Cedar LNG entered into an MOU for a 20-year liquefaction services agreement with ARC Resources. The parties are working towards finalizing a definitive agreement for 1.5 MTPA of LNG.

Port Edward LNG:

- Port Edward LNG is proposing to develop a small-scale, 0.3 MTPA LNG export facility that will utilize ISO-containers and ship through the Port of Prince Rupert.

- The project has entered into an agreement with the Municipality of Port Edward for the land as well as Pacific Northern Gas Pipeline for its feedstock.
- The facility does not trigger an Environmental Assessment and has received an LNG Facilities Permit from the BC Energy Regulator.

Ksi Lisims LNG:

- On March 12, 2021, the Nisga'a Nation announced that it had entered into a Collaborative Endeavors Agreement with Western LNG and Rockies LNG Partners for the assessment and development of an LNG facility in the Nass Area.
- The project envisions exporting upwards of 12 MTPA of LNG and is exploring the use of a floating Liquefied Natural Gas facility.
- The project submitted its initial project description with the Environmental Assessment Office in the summer of 2021 and its detailed project description early in 2022. The project received a readiness decision from the Environmental Assessment Office to proceed into the assessment process.
- Of the two proposed pipelines that could provide feedstock to the facility, Ksi Lisims LNG has indicated that they have chosen to work with TC Energy's proposed Prince Rupert Gas Transmission.

LPG Projects

Ridley Island Propane Export Terminal:

- AltaGas' Ridley Island Propane Export Terminal (RIPET) was Canada's first propane export facility and has an export license to export up to 92,000 barrels per day (bpd). The terminal offloads approximately 50 to 60 rail cars of liquid propane from BC and Alberta each day, which is then delivered to global markets through approximately 20 to 30 marine shipments per year.
- Since commencing operations in 2018, RIPET now accounts for approximately 10 per cent of the propane imported into Japan, who imported over $1.8 billion worth propane from Canada in 2022.
- In 2022, RIPET shipped 1.7 million tonnes, 17% higher than 2021.

Prince Rupert Terminal:

- Pembina's Prince Rupert Terminal is a propane export terminal located on Watson Island in the vicinity of Prince Rupert. The terminal can handle an average of 20,000 barrels per day with a capacity maximum of 25,000 barrels per day.

- On April 9, 2021, Pembina began loading propane onto vessels destined for international markets with some of the initial cargos destined for Hawaii and the majority of their 2021 cargoes landing in South Korea.
- In 2022, the terminal handled over 538,000 tonnes, a 45% increase over 2021.

Vopak Pacific Canada:

- Vopak Development Canada Inc., a wholly owned subsidiary of Royal Vopak, is investigating the opportunity to construct, own and operate a new bulk liquids storage facility on port lands in Price Rupert.
- The project is expected to store liquefied petroleum gas' such as propane and butane, clean petroleum products as well as methanol. All products will be transported to the facility (from both BC and Alberta) via the existing CN Railway line before being exported to predominantly Asian markets.
- In 2022 the project received provincial and federal environmental approvals.

New Natural Gas Transmission Pipelines

Prince Rupert Gas Transmission Pipeline:

- The Prince Rupert Gas Transmission Project is a proposed (TC Energy) 900-kilometre natural gas pipeline that would run from Hudson's Hope to Lelu Island near Prince Rupert.
- PRGT's EAC is set to expire on November 25, 2024 unless the pipeline is substantially started before that date.

Westcoast Connector Gas Transmission:

- The Westcoast Connector Gas Transmission (WCGT) is a proposed (Enbridge) 850-kilometre natural gas pipeline from the Cypress area in northeast BC to Ridley Island, near Prince Rupert.
- WCGT's EAC is also set to expire on November 25, 2024. Enbridge has requested an emergency order extending the deadline to 2029, citing the COVID-19 pandemic and the *Yahey* decision as reasons for the delay on the project.

Attachment: Appendix 1 – Current LNG Export Projects

Contact:

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Title: New Energy Action Framework and LNG

Drafted/Revised: **March 10, 2023**

Issue: **The Government's newly announced Energy Action Framework and five conditions for LNG development.**

Response:

- On March 14, 2023 the Province announced a New Energy Action Framework that will ensure oil and gas sector projects fit within BC's climate commitments.
- The framework builds on the Province's five conditions for Liquefied Natural Gas (LNG) projects to meet:
  - Proposals must provide a fair return for our resource;
  - Proposals must provide commitments of jobs and training opportunities for British Columbians, including equity groups;
  - Proposals must respect and make partners of First Nations;
  - Proposals must protect our air, land and water, including living up to our climate commitments; and
  - Proposals must provide benefits to communities.
- In addition to an emissions cap for the oil and gas industry, BC will require that all proposed LNG facilities in or entering the environmental assessment process have a credible plan to be net zero by 2030.
- The Framework and conditions provide a road map for the successful development of an LNG project in BC.

Background/Status:

- In 2017 BC established four key conditions to ensure British Columbians benefit from LNG development. These four conditions formed the basis for government's discussions with LNG Canada and the development of the 2018 fiscal framework.
- At that time these conditions were listed as:
  - A fair return for BC's natural resources.
  - Jobs and training opportunities for British Columbians.
  - Respect and make partners of First Nations.
  - Protect BC's air, land and water, including living up the Province's climate commitments.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

- Following LNG Canada's Final Investment Decision on October 1, 2018, the Premier stated that he was of the view that LNG Canada and the Coastal GasLink pipeline projects have met the four conditions.

Updating the LNG Framework:

- The four LNG conditions established in 2017 align with the foundational principles established in Ministerial Mandate letters; in 2022 government added a new (fifth) condition and expanded the original four.
- The new condition will support communities and regional districts in which LNG projects advance. While new industrial developments result in an increased tax base for a community, there remains a timing issue where new infrastructure and services need to be provided prior to those taxes being realized.
- The wording of the condition regarding jobs and training was also expanded to be inclusive of equity groups. This clarification reflects on the importance of having a diverse workforce and aligns with the stated foundational principle of equity and anti-racism.

New Energy Action Framework:

- On March 14, 2023 the Province announced a new Energy Action Framework that will ensure oil and gas sector projects fit within BC's climate commitments and create new opportunities for people in the clean energy sector.
- Measures under the new energy action framework include:
    - requiring all proposed LNG facilities in or entering the environmental assessment (EA) process to pass an emissions test with a credible plan to be net zero by 2030;
    - putting in place a regulatory emissions cap for the oil and gas industry to ensure B.C. meets its 2030 emissions-reduction target for the sector;
    - establishing a clean-energy and major projects office to fast track investment in clean energy and technology and create good, sustainable jobs in the transition to a cleaner economy; and
    - creating a BC Hydro task force to accelerate the electrification of BC's economy by powering more homes, businesses, and industries with renewable electricity.

Contact:

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Title: LNG Bunkering

Drafted/Revised: March 13, 2023

Issue: Update on LNG marine bunkering in British Columbia

Response:

- The use of Liquefied Natural Gas (LNG) as a marine fuel (LNG bunkering) to power and decarbonize the world's ocean-going vessels is expanding, and British Columbia (BC) is well positioned to benefit from this growth.
- Projects such as LNG bunkering in the Port of Vancouver have the potential to bring economic benefits and improve air quality in the Lower Mainland, Fraser River basin and coastal communities.
- Both BC Ferries and Seaspan have been powering vessels using LNG since 2016 and the joint venture between Haisla Nation and Seaspan announced that the LNG Canada tugs will also be partly powered by LNG.
- According to BC Ferries using LNG on the Spirit-class ferries means that carbon dioxide emissions will be cut by 12,500 tonnes every year – the equivalent to taking 2,500 cars off the road. BC Ferries is also realizing lower operating costs by switching from diesel to LNG.
- LNG marine bunkering can displace conventional bunker fuel oil with clean natural gas produced in BC and enhances economic activity at the Port of Vancouver.

Background/Status:

- On January 1, 2020, the International Maritime Organization (IMO) introduced a global 0.5% Sulphur cap and targets to reduce greenhouse gas (GHG) emissions 40% by 2030 and 70% by 2050 when compared to 2008 levels.
- LNG as a marine fuel is an attractive option to meet the IMO 2020 regulations, benefiting from lower Sulphur, Nitrogen and Carbon emissions than oil-based fuels.
- Effective from January 1, 2023 the Vancouver Port Authority's EcoAction Program provides discounts on harbour fees for taking steps to reduce a ship's environmental footprint including using alternative fuels such as LNG.
- Greenhouse gas (GHG) emissions from maritime transport are estimated to account for 3% of the total human induced GHG emissions. LNG bunker fuel from BC, where GHG intensity and methane emissions are reduced during production, are a part of the pathway to reducing maritime related GHG emissions.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

- BC Ferries aims to meet the Clean BC 2030 climate targets by reducing the GHG intensity of their operations, including transitioning the fuel sources from non-renewable diesel to LNG and renewable diesel. In the future, BC Ferries plans to use renewable LNG and electricity to power its fleet.
    - BC Ferries has displaced nearly a quarter of total diesel fuel consumption with cleaner LNG produced in BC.
    - BC Ferries currently operates 6 LNG dual-fueled ferries.
- LNG bunker fuel is produced at FortisBC's Tilbury LNG facility, which is looking to expand (Phase 1B) to meet the rising demand for LNG as a marine fuel. The expansion would add 0.65 mtpa of capacity.
    - The Tilbury LNG facility uses electricity as a power source in the liquefaction process, making its LNG among the lowest carbon intensity of LNG produced available.
- The Tilbury Marine Jetty is proposed by Tilbury Jetty LP, an affiliate of FortisBC, and would be located adjacent to the Tilbury LNG facility. This project, through providing ship loading services for LNG, would enable ship-to-ship LNG marine fueling in the Port of Vancouver.
- On February 28, 2022, it was reported that Seaspan had confirmed the order for 2 LNG bunker vessels, with the option to buy a third. The first two are scheduled to be delivered in 2024 costing approximately $40 million each. The vessels are to be constructed in China by CIMC Sinopacific Offshore and Engineering.
    - Seaspan has been operating 2 LNG dual-fueled ferries since 2016.
- HaiSea Marine, a partnership formed between the Haisla Nation and Seaspan, will provide ship-assist and escort services to LNG carriers navigating Douglas Channel and approaches to LNG Canada. The harbor tugs will be battery electric powered, while the larger escort tugs will be LNG dual-fueled. The first of two dual-fuel tugs was completed and undocked on January 17, 2023.
- LNG powered car carriers started to call on the Port of Vancouver in 2022, and with the number of LNG powered carrier vessels and cruise ships increasing, the local demand is expected to increase.

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Title: Gasoline Prices & the Fuel Price Transparency Act

Drafted: **March 14, 2023**

Issue: **An update on gasoline prices and the Fuel Price Transparency Act in British Columbia.**

Response:

- Since 2019, this government has taken a series of proactive steps to provide a greater level of transparency to how fuel prices are set around the province.
- The *Fuel Price Transparency Act* (FPTA) aims to "look behind the curtain" of the market for gasoline and diesel by collecting information and publishing from companies selling fuel in the province.
- As administrator of the FPTA, the British Columbia Utilities Commission (BCUC) has launched and maintains an open and transparent website that provides insights into the various components that make up our fuel prices (the price of crude oil, wholesale margins, retail margins and taxes).
- We believe information behind fuel pricing should be available to British Columbians. By pulling back the curtain, companies will be publicly accountable for unexplained markups and cost increases.
- If the BCUC identifies any egregious market behaviour, government will review the evidence and take appropriate action to protect British Columbians.
- The Province does not believe a reduction or suspension of motor fuel taxes is a long-term solution to affordability concerns.

Background/Status:

- Retail price at the pump consists of the following major components:
  - Crude Oil Price
  - Wholesale Margin
  - Retail Margin
  - Taxes
- GasPricesBC.ca, an informational website managed by the BCUC, was launched and provides citizens with interactive dashboards that show how fuel prices can differ by city, year, fuel type, and other components.
- GasPricesBC.ca has a breakdown of these specific costs for BC cities in comparison to other cities in Canada historically.

- British Columbians pay some of the highest gasoline prices in Canada, made up of higher-than-average taxes in Vancouver and Victoria, and higher-than-average

wholesale margins throughout the province (see Appendix 1 for a breakdown and comparison).

Fuel Price Transparency Act (FPTA):

- The Final Report of the BCUC Inquiry into Gasoline and Diesel Prices in BC included findings that there was an oligopoly in the wholesale fuel market that displayed characteristics of a natural monopoly. The report also identified a price premium of approximately $0.13 per litre on gasoline sold in southern BC that the BCUC could not explain based on the information available.
- In response to this report, the Province enacted the FPTA in November 2019 to enable the collection of information that could be used to inform future policy decisions, to improve competition in the market, and to increase transparency.
- In its role as administrator of the FPTA, the BCUC has undertaken special projects in response to public requests for information about fuel prices in BC.
- The analysis from one of these special projects has concluded that retailers were not taking advantage of high crude prices due to the conflict in Eastern Europe to earn excess retail fuel margins. Also, the gasoline price spike in September 2022 was due in large part to unplanned refinery outages and gasoline shortages.
- Next steps in the administration of the FPTA include a deeper analysis into the unexplained 13 cent price premium, as well as looking further into some BC cities that pay higher than expected retail prices like Squamish and Gibson. The further collection of quality data and analysis could potentially inform government policy on the fuel market.

Other Governments' Response to High Fuel Prices:

- Alberta announced a suspension of the provincial fuel tax effective April 1, 2022, subject to quarterly review. From September to December 2022, the tax was re-instated at 4.5 cents per litre. Effective January 2023 until June 2023, the provincial fuel tax is suspended again.
- Ontario announced a reduction in their provincial fuel tax from 14.7 cents per litre to 9.0 cents per litre effective July 1, 2022 until December 31, 2023.

Attachments: Appendix 1 – Gasoline Prices Across Canada
Appendix 2 – Taxes on Gasoline Across Canada

Contact:

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2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: Royalty Review – programs, outcomes, and next steps

Drafted/Revised: March 13, 2023

Issue: Update on implementation of the new royalty framework

Response:

- A comprehensive review of B.C.'s legacy oil and natural gas royalty system was launched in October 2021, the first such review in almost 30 years.
- The new royalty framework announced in May 2022 eliminated several royalty incentive programs identified as inefficient and provided the parameters of a new revenue-minus-cost royalty system.
- A transition period leading up to the new royalty system began on September 1, 2022 and will end when the new system is implemented September 2024.
- Remaining implementation steps include re-purposing existing unused deep well royalty credits held by industry to land restoration and emissions reductions initiatives and establish the revenue-minus-cost system.

Background/Status:

- When oil and natural gas resources are produced in B.C., the Province charges producers either a royalty or a freehold production tax (collectively called the royalty system) on behalf of British Columbians.
- The Ministry of Energy Mines and Low Carbon Innovation (EMLI) has responsibility for royalty system policy while the Ministry of Finance (FIN) administers the collection of revenues under the royalty system.
- A comprehensive review of B.C.'s legacy oil and natural gas royalty system was launched by EMLI in October 2021, the first such review in almost three decades.
- An independent assessment of the legacy oil and natural gas royalty framework concluded that the entire royalty framework should be reformed to address a myriad of issues within the current system including incentive programs that no longer functioned as intended and have become economically inefficient.
- On May 19, 2022, the Province announced a new oil and gas royalty system that eliminated several royalty incentive programs identified as inefficient and provides a bridge towards re-purposing existing unused deep well royalty credits held by industry to land restoration and emissions reductions initiatives as well as to a new revenue-minus-cost (RMC) royalty system.
- The framework established a transition period leading up to the launch of the new system on September 1, 2024.

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Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Royalty transition period underway

- Effective Sept. 1, 2022, new wells (i.e., those that begin drilling on or after that date) are not eligible to qualify for the old deep-well royalty program, the Marginal Well Royalty program, the Ultra marginal Royalty program, the Low Productivity Royalty program, or the Clean Growth Infrastructure Royalty programs.
- Wells drilled beginning Sept. 1, 2022, will pay a 5% royalty rate for the equivalent of the first 12 production months (8,760 production hours of production). At the end of this period, these wells will pay the prevailing price-sensitive royalty rates.
- Older wells (wells that begin drilling before Sept. 1, 2022) continue pay royalties based on the legacy royalty framework until Sept. 1, 2024.
- Effective Sept. 1, 2024, these wells will transition to the rules of the new royalty framework. After this date, these wells will not be eligible for rate reductions under the Marginal Well Royalty program, the Ultra marginal Royalty program, the Low Productivity Royalty program, or the Clean Growth Infrastructure Royalty programs.

Implementing the new royalty system

- Producers will have the option to transfer unused deep-well deductions to the Healing the Land and Emissions Reduction (HLER) program before September 1, 2026. The HLER program will support work above and beyond regulatory requirements to reduce emissions or cumulative impacts on the land base.
- Amendments to the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation are required to enable the creation of the HLER Program and to create a mechanism to move existing deep-well deductions to the HLER program. These amendments are expected to be complete in Spring 2023 and the HLER program begin shortly thereafter.
- The new framework is based on the RMC that uses price-sensitive royalty rates designed to achieve a return of approximately 50% of profits on the public resource. The Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation requires an extensive set of amendments to establish the RMC, which is expected to be completed in late Spring 2023.
- EMLI and FIN are actively working to make the administrative changes and information technology enhancements necessary to ensure that the RMC and HLER program function properly.

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Title: Questions on Subsidies to Oil and Gas Producers

Drafted/Revised: March 13, 2023

Issue: **Inefficient Fossil Fuel Subsidies and efforts to transition subsidies to clean tech and clean energy sectors**

Response:

- The fundamental characteristic of all subsidies is to reduce the market price or an item below its cost of production through government provision of economic benefits or financial aid to producers or consumers of certain goods or services.
- British Columbia scarcely provides any fiscal measures to produce or consume hydrocarbons.
- The ongoing royalty review has already ended the largest incentives to oil and gas production and is transitioning the largest program to land healing and emissions reduction projects.

Background/Status:
General Principles Concerning Subsidies

- Subsidies, both in general and for the energy sector, are defined in a variety of ways in international agreements and by international organizations of which Canada is a member.
- The fundamental characteristic of all subsidies is to reduce the market price of an item below its cost of production through government provision of economic benefits or financial aid to producers or consumers of certain goods or services.
- Subsidies can include tax expenditures, grants and contributions, government loans or loan guarantees at favourable rates, resources sold by government at below-market rates, research and development funding, and government intervention in markets to lower prices.
- The motives of a subsidy include:
    - support a desirable economic activity like export promotion.
    - keep prices of economic goods or services low relative to market prices.
    - support financial viability of firms engaged in critical or strategic industries; and
    - induce investment to reduce unemployment and stimulate macroeconomic activity.
- Governments may also provide fiscal measures to incentivize major investments in its jurisdiction that may not otherwise occur due to inter-jurisdictional tax competition. Decisions to provide reduced taxes or other financial relief, which may be construed

as a subsidy, in this context are generally predicated on economic and financial modelling indicating that the economic benefits of a project (in terms of jobs, capital investment, and tax revenue) exceed the cost of the incentives provided.

Consumption and Production Subsidies in British Columbia (BC)

- Regarding fossil fuel consumption, British Columbia (BC) provides scarcely any subsidies.
    - BC motor fuel tax generally applies to fuel sold for use or used to power internal combustion engines (e.g., cars, boats, airplanes, stationary engines etc.) and propane and is among the highest rates in North America.
    - The BC carbon tax generally applies to the purchase or use of fuels such as gasoline, diesel, natural gas, heating fuel, propane and coal, and the rate is expected to increase through 2030 in line with federal carbon pricing requirements.
    - Provincial Sales Tax (PST) generally applies to internal combustion engine (ICE) vehicles and home heating systems, typically at higher rates than non-ICE (e.g., electric) vehicles and systems.
    - The PST exemption for consumption of electricity, natural gas, fuel oil, which may be deemed a subsidy, has been in place for several years to reduce the cost of a necessity of heating and powering homes.

Eliminating Fossil Fuel Subsidies in the BC Oil & Gas Royalty System

- BC's legacy oil and gas royalty system featured three royalty credit programs and four royalty reduction programs. These credits and royalty reduction programs (sometimes viewed as fossil fuel subsidies) allowed producers to lower their royalty payments to the province, and total annual use can exceed $1 billion per year.
- A comprehensive review of B.C.'s oil and natural gas royalty system was launched by EMLI in October 2021, the first such review in almost three decades.
- An independent assessment of the current oil and natural gas royalty framework concluded that the entire royalty framework should be reformed to address a myriad of issues within the current system including the royalty credit and reduction programs no longer function as intended and have become economically inefficient.
- On May 19, 2022, the Province announced a new oil and gas royalty system that increases the royalties' oil and gas producers pay BC for the resource, and eliminates the Deep Well Royalty Credit Program, the largest oil and gas subsidy, as well as other outdated and inefficient programs, such as the Marginal Well, Ultra-marginal Well, Low Productivity Well Rate Reduction and the Clean Growth Infrastructure Royalty programs.
- A transitional system, including elimination of Deep Well credits and other programs, took effect on Sept. 1, 2022, with a new royalty framework scheduled to be in place effective Sept. 1, 2024.

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

- Under the new system, oil and gas producers' existing deep well credits will expire on September 1, 2026, unless transferred to a healing the land and emissions reduction (HLER) program. Using the transitionary HLER pool, producers may use credits to fund healing the land and emission-reduction work, but only if it is beyond regulatory requirements.

Attachments: Appendix 1 – Inventory of production and consumption fiscal measures pertaining to the oil and gas sector

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2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: Oil and Gas Legislation and Regulatory Development

Drafted/Revised: March 10, 2023

Issue: Recent and Upcoming Amendments to Legislation and Regulations

Response:

- In fall 2022, British Columbia (BC) passed the *Energy Statutes Amendment Act* to support implementation of the CleanBC Roadmap to 2030.
- Once fully implemented, the legislation will add regulation of hydrogen production and underground storage of carbon dioxide from any source to the previously named BC Oil and Gas Commission's responsibilities.
- In February 2023, portions of the legislation were brought into force to rename the BC Oil and Gas Commission to the BC Energy Regulator, restructure its board, and appoint a new board of directors.
- The new structure increases the size of the board and requires Indigenous representation to improve inclusion and better reflect the expanded energy resource mandate.
- To underscore the board's independence from the management team, the Regulator's chief executive officer no longer serves as a member.
- The legislation will also provide the newly named regulator with an expanded liability framework and the tools needed to ensure oil and gas activity obligations are met, lessening pressure on the orphan fund.
- Work is underway on regulatory amendments to complete implementation of this legislation.
- Other initiatives underway include regulations to support the Royalty Review and the Blueberry River First Nations Implementation Agreement.

Background/Status:

Energy Statutes Amendment Act

- Bill 37, *Energy Statues Amendment Act 2022*, received Royal Assent in November 2022. Bill 37 made the following changes to the oil and gas legislative framework:
  - gave the BC Energy Regulator new responsibilities to regulate the hydrogen energy industry,
  - modernized the structure of the BC Energy Regulator board of directors,
  - clarified government's authority to regulate the safe and effective storage of carbon dioxide from any source, and

- expanded the regulator's authority to hold those engaged in an oil and gas activity (such as wells, facilities and pipelines) responsible for cleanup and restoration costs.

- Most provisions in the bill did not come into force immediately. In February 2023, portions of Bill 37 were brought into force to rename the BC Oil and Gas Commission to the BC Energy Regulator, restructure the board, and appoint a new board of directors.
- These changes ensure that the new board will have the diversity, capacity and technical experience to effectively regulate the energy resource industries when the rest of Bill 37 and the supporting regulations are brought into force later this year.
- Along with bringing Bill 37 into force, a regulation is proposed to bring into force an amendment from Bill 15, *Energy, Mines and Petroleum Resources Statutes Amendment Act 2018*. This will give the BC Energy Regulator power under the *Heritage Conservation Act* to authorize or require heritage inspections and investigations.

Underground Storage of Carbon Dioxide

- Amendments to the Petroleum and Natural Gas Storage Reservoir Regulation are proposed to modernize the application requirements, provide transparency on the decision-making process in regulation, and encourage the use of underground storage reservoirs for carbon capture and storage. These regulatory amendments support legislative amendments in the *Energy Statutes Amendment Act 2022 (Bill 37)*.
- Consultation with First Nations is complete and included seven meetings with individual Nations. Engagement with industry is underway and has included meetings with the Canadian Association of Petroleum Producers, the Explorers and Producers Association of Canada, and individual companies such as NorthRiver Midstream and Tourmaline Oil.
- .

Blueberry River First Nations

- The Blueberry River First Nations (BRFN) Implementation Agreement responds to the BC Supreme Court *Yahey v. British Columba* case where the court found that the province had unjustifiably infringed on BRFN's Treaty 8 rights.
- The BRFN Implementation Agreement commits the Province to use legislative or regulatory tools to implement specific sections of the agreement.
- Legislative and regulatory changes are being proposed to provide the BC Energy Regulator with the direction and authority to implement the oil and gas components of the agreement.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Cross Reference: Carbon Capture and Storage
Royalty Review – Progress and Outcomes
BC Supreme Court *Yahey v. British Columbia* Decision

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2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: CleanBC Roadmap to 2030 – Oil and Gas Industry

Drafted: March 10, 2023

Issue: Climate action to reduce emissions from the oil and gas sector.

Response:

- In October 2021, the Province released the CleanBC Roadmap to 2030 – a detailed plan to meet British Columbia's (BC) climate targets and set the province on the path to net-zero emissions by 2050.
- Building on actions already underway through the CleanBC plan, the Roadmap establishes commitments and actions to reduce greenhouse gas (GHG) emissions produced by the oil and gas industry in line with its sectoral target of 33 to 38 percent reductions from 2007 levels by 2030.
- We are driving delivery of our ministry's CleanBC Roadmap to 2030 commitments and actions to ensure we meet our legislated GHG goals.
- To accomplish this, we are working closely with the Ministry of Environment and Climate Change Strategy (ENV) to develop policies and regulations.
- Our new energy action framework announced on March 14, 2023 will put in place a regulatory emissions cap for the oil and gas industry to ensure BC meets its 2030 emissions-reduction target for the sector.
- We will also require all proposed Liquefied Natural Gas (LNG) facilities in or entering the environmental assessment process to have a credible plan to be net zero by 2030.
- We are currently on track to meet and even exceed our 45 percent methane emissions reduction target by 2025 and have established a clear pathway forward to meeting our 2030 and 2035 targets.
- Work is underway to enable additional electrification of upstream oil and gas facilities. The creation of a BC Hydro task force to accelerate the electrification of BC's economy as part of the new energy action framework will further support these efforts.

Background/Status:

- In March 2021, BC became the first province in Canada to set sectoral targets covering emissions across the economy. The oil and gas industry is currently responsible for around 50 percent of industrial emissions and 20 percent of BC's total emissions. The sectoral target for the oil and gas industry aims to reduce emissions 33 percent to 38 percent below 2007 levels by 2030. The CleanBC Roadmap to 2030 committed that the Province would implement policies and programs to ensure the oil and gas sector meets its sectoral targets.

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

- On March 14, 2023, the Province announced its new energy action framework that will ensure oil and gas sector projects fit within BC's climate commitments. Under the new energy action framework, the Province will:
  - require all proposed LNG facilities in or entering the environmental assessment process to pass an emissions test with a credible plan to be net zero by 2030;
  - put in place a regulatory emissions cap for the oil and gas industry to ensure BC meets its 2030 sectoral target;
  - establish a clean-energy and major projects office to fast-track investment in clean energy; and
  - create a BC Hydro task force to accelerate the electrification of BC's economy.
- Roadmap commitments and actions to support GHG emissions reductions in the oil and gas sector include:
  - Strengthened methane emissions targets of a 75 percent reduction target from 2014 levels by 2030 and near elimination of methane emissions by 2035.
  - Requiring all new, large oil and gas facilities to be net-zero by 2050.
  - Increasing the carbon tax to $170 per tonne by 2030 and promoting the electrification of upstream oil and gas production.
  - Enabling carbon capture and storage (CCS).
  - Establishing declining carbon intensity thresholds, over time, for hydrogen produced from natural gas.
  - Integrating emissions reductions into the review of the rules for oil and gas royalties to ensure the royalty system will help meet provincial emission reduction targets.
  - Cleaning up 100 percent of current orphan wells in BC before 2030.
- The Ministry of Energy, Mines and Low Carbon Innovation (EMLI) is also engaged with its Government of Canada partners to further support oil and gas GHG and methane emissions reduction policies.

Reduction and Elimination of Methane Emissions:

- An emissions reduction target of 45 percent was established in the province's precursor climate strategy, the CleanBC plan released in 2018. Methane emissions regulation is a key policy instrument for achieving methane emissions reductions. Amendments to the *Oil and Gas Activities Act* (OGAA) Drilling and Production Regulation (DPR), came into force on January 1, 2020.
- In April 2020, BC concluded an equivalency agreement with the federal government, making the federal methane regulations inapplicable in the Province.

- BC is well on track to exceed the 2025 target. The 2020 provincial inventory data indicated methane emissions had declined by 22 percent from 2014 levels.
- The Roadmap commits to a stricter 75 percent emissions reduction target, from 2014 levels, by 2030 and near elimination by 2035. Initial EMLI modelling indicates the 2030 target can be achieved through additional amendments to the DPR. Work is underway to design these regulatory changes with the expectation these will be finalized in early 2024.
- BC is also working with experts, industry, non-profits and environmental groups to make sure we have an accurate picture of methane emissions in the oil and gas sector. In addition to research sponsored under BC's, Methane Emissions Reduction Collaborative, the Province is leading work with academia and the United Nations Environmental Programme to improve quantification of fugitive methane emissions from the oil and gas sector.

Net-Zero Ready Industrial Operations:

- The Roadmap includes a requirement that all new large industrial facilities, including oil and gas facilities, must have a plan to achieve net-zero GHG emissions by 2050. The New Energy Action Framework will require all proposed Liquefied Natural Gas (LNG) facilities in or entering the environmental assessment process to have a credible plan to be net zero by 2030.
- EMLI is presently working with ENV on the policy that will determine the legislation and guidance on net-zero requirements for new large industrial projects. As the lead ministry, it is expected ENV will initiate engagement with Indigenous partners and stakeholders in spring 2023.

Increasing the Carbon Price

- BC's carbon tax will meet or exceed federal carbon price requirements, so that the tax rate will increase each year until it reaches $170 per tonne by 2030.
- As part of Budget 2023, the Province announced a transition to an output-based carbon pricing system (OBPS) in 2024. This OBPS will ensure significant emissions reductions for industry, including oil and gas, while also providing flexible options to meet their compliance obligations.

Carbon Capture and Storage

- CCS, an important emissions reduction and mitigation strategy for the oil and gas sector, has been advanced through legislative amendments in November 2022, and proposed amendments to storage reservoir regulations for spring 2023. The amendments in OGAA and the *Petroleum and Natural Gas Act*, with the subsequent proposed regulatory changes, work to clarify the license requirements for storage reservoirs and expand rights for the Province to explore for, access, develop and use storage reservoirs.

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Minister Responsible: **Josie Osborne**

- BC is supporting research into the geological potential across the province for permanent underground storage. The recently released Northeast BC Geological Carbon Capture and Storage Atlas identifies the most suitable formations and locations for carbon storage in the Northeast.

Cross Reference: 20 – Carbon Capture and Storage

Contact:

Nathaniel Amann-Blake	ADM	Oil and Gas Division	250 889-1990

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: Trans Mountain Expansion Project Overview

Revised: March 13, 2023

Issue: Trans Mountain Expansion Project Overview

Response:

- Provincial staff meet regularly with Trans Mountain Corporation (TMC) to work through issues related to permitting. Provincial agencies will continue to support permitting until completion of the project.
- The project is providing economic benefits to the Province and will provide revenue sharing through the C5 Agreement of $25-50 million over 25 years. The funding will fund green initiatives for communities along the pipeline.
- The Trans Mountain Expansion Project (TMEP) requires approximately 1710 provincial permits, all of which require consultation with Indigenous groups. Approximately 1635 provincial permits have been issued to.
- On March 10, 2023 TMEP's projected cost was revised from $21.4 billion to $30.9 billion. The federal government has reaffirmed the pipeline's financial viability through independent audits and will seek to divest ownership closer to completion date, with a focus on Indigenous led ownership groups.
- The economic impact, employment, industry skills and training investments, and indigenous agreements are located in Appendix 1.

Background/Status:

- TMEP falls under the Canadian Energy Regulator's (CER) jurisdiction as it crosses provincial borders.
- TMEP is organized into seven spreads. Spreads 1 and 2 are in Alberta, and Spreads 3 to 7 are in British Columbia (BC). Spreads 6 and 7 are in the Lower Mainland. Spread 7 includes the Burnaby Terminal, Burnaby Mountain Tunnel and Westridge Marine Terminal. (See Appendix 3 – TMEP Map).
- TMEP will twin TMC's existing 1150-kilometre pipeline within the existing right-of way, where possible, from Edmonton to Vancouver.
- The existing pipeline has a sustainable capacity of 300,000 barrels per day (bbl/d) and the new pipeline will add a sustainable capacity of 590,000 bbl/d.
- On April 6, 2017, BC signed an agreement with Kinder Morgan (to be honoured by the federal government) that provides for revenue sharing of up to $1 billion over 20 years that is to go towards initiatives and projects that protect the environment and benefit communities. The agreement also commits BC to establish and maintain a project office to facilitate a timely and efficient regulatory

and decision-making process for all provincial regulatory matters related to TMEP or the existing pipeline system.

- The Infrastructure Projects and Strategic Initiatives (IPSI) branch in EMLI maintains regular connection to TMEP's project team and the relevant agencies to ensure any emerging issues are identified and addressed early and proactively, where possible. Operational relationships are strong between TMC and the BC Government, resulting in most issues being addressed at that level. Permit Status for the Period Ending March 9, 2023:

Agency & Permit Type	Total not yet submitted	Total in technical review	Total approved permit applications	Grand total
BC Energy Regulator	0	8	198	206
Ministry of Forests	2	47	136	185
BC Parks	0	0	6	6
Ministry of Environment and Climate Change Strategy	2	1	4	7
Ministry of Transportation & Infrastructure	8	7	1287	1302
Agricultural Land Commission	0	0	4	4
Grand Total	12	63	1635	1710

Over the next year, the key focus areas for IPSI in relation to the TMEP are:

- Supporting the timely and efficient permitting for the remaining approximately 100 project-related provincial permits.
- Facilitating resolution on non-permit related construction challenges including impacts to the provincial Spotted Owl Breeding Facility and construction related road issues such as Highway 1 temporary closures.
- Designing and establishing the Condition 5 fund to ensure it is ready to receive and disburse funds when the TMEP commences service.
- Supporting agencies in the transition from construction to operations (i.e. permitting to compliance/ongoing maintenance focus).

Attachments: Appendix 1 – Trans Mountain Expansion Project Construction Benefits
Appendix 2 – Maps of Trans Mountain Expansion Project

Contact:

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Title: Project and Five Conditions

Drafted **March 17, 2023**

Issue: **Five Conditions for the LNG Canada export facility and Coastal GasLink pipeline projects**

Response:

- Government has set five conditions to ensure that LNG projects are constructed and operated in a way that benefits British Columbians and meets the Province's climate commitments.
- LNG investment in B.C. will:
  - Deliver jobs and training opportunities for British Columbians,
  - Provide a fair return for our resources,
  - Respect and make partners of First Nations,
  - Protect our clean air, water and land, and
  - Mitigate community impacts and enhance community benefits.
- The LNG Canada project has created many benefits. Government plays an active role in monitoring the projects' impacts on local communities and First Nations.

Background/Status:

- In 2018, the provincial government announced four conditions for LNG investment to ensure long-term benefits for British Columbians while maintaining strong environmental protections.
- In 2022, British Columbia developed a fifth condition for LNG projects to ensure that companies mitigate impacts and enhance benefits for local communities and First Nations.
- The LNG Implementation Secretariat (Secretariat) continues to monitor LNG Canada and Coastal GasLink's (CGL) progress on these five conditions:

Jobs and Training:

- Total construction workforce: 12,891[1] workers (3,910 British Columbians: 1,571 women and 979 self-identified Indigenous peoples.
- Over $7.6 million has been spent by LNG Canada/CGL on skills training in B.C., including $1.5 million towards LNG Canada's Trades Training Fund, resulting in 1,538 apprentices trained and an additional 120 women introduced to construction through the "Your Place" work readiness initiative.

[1] Total using the most recent data from the two projects; January 2023 for LNG Canada and December 2022 for CGL.

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Minister Responsible: **Josie Osborne**

Fair Return for Resources:

- $23 billion in new government revenues over the life of the project.
- Construction of the project represents a 0.7% increase to real GDP for B.C.
- Over $5.4 billion in subcontracts and procurements awarded by LNG Canada and Coastal GasLink to B.C. businesses.

First Nations Partnerships:

- LNG Canada and CGL have agreements in place with all elected First Nations communities along the pipeline right of way, and facility footprint.
- Collectively, approximately $4 billion in subcontracts and procurement has been awarded to Indigenous businesses. Over 200 Indigenous businesses have been involved with construction activities.
- Sixteen of 20 First Nations have 10% equity agreements on the GCL pipeline.
- All CGL prime contractors have signed agreements with Indigenous communities in whose territories they are operating. First Nations-led service sector companies are also employed for security, catering and other workforce lodge supports.
- LNG Canada requires employees sign a Workers Code of Conduct and complete Cultural Awareness Training. Coastal GasLink's Community Workforce Advisor program employs members from neighbouring Indigenous communities to lead cultural training programs, and the Construction Monitoring and Community Liaison Program involves Indigenous community members to participate in construction in their territory and report back to their communities.

Environment:

- LNG Canada Phase 1 is accounted for in CleanBC.
- The LNG Canada project is expected to have the lowest GHG emission intensity of any major LNG facility currently in the world – 35% lower than the world's best performing facilities and 60% lower than the global weighted average.
- Vessels assembled by HaiSea Marine will use battery-electric power and natural gas instead of diesel, reducing CO2E emission by up to 10,000 tonnes a year (at the LNG Canada export facility).
- CGL is using a new kind of technology called Enclosed Vapour Combustors to reduce emissions across project lines.

Community Well-Being:

- Over $6 million has been spent by LNG Canada and CGL on local community benefits. Examples:
    - $1.2 million to the Northwest Regional Airport Terrace-Kitimat.
    - $500,000 provided to the City of Terrance Fire Department for a new highway rescue vehicle.

  - $350,000 provided to Coast Mountain Children's Society to support 14 childcare spaces program in the Kitimat/Haisla area.
  - $125,000 provided to the Tamitik Status of Women to support programs and services for women and families affected by social issues.
  - $100,000 provided to Chetwynd and District Hospital.
  - $100,000 provided to Chetwynd Public Library.
- The Environmental Assessment Certificates (EACs) for the LNG Canada export facility and CGL pipeline projects each have a condition requiring the companies to develop plans to mitigate, and adaptively manage, potential socio-economic effects on community services and infrastructure in their area of construction.
  - In accordance with Condition #14 of their EAC, LNG Canada developed a Community Level Infrastructure and Services Management Plan (CLISMP).
  - In accordance with Condition #24 of their EAC, CGL developed a Socio-economic Effects Management Plan (SEEMP).
- LNG Canada's non-local workers are housed at Cedar Valley Lodge – a world class industrial accommodation to reduce community housing displacement.

Cross Reference: LNG Canada Project Overview
Coastal GasLink Pipeline Overview

Contact:

Suzanne Manahan	A/Assistant Deputy Minister	LNG Canada Implementation Secretariat	250 952-0729

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: LNG Canada Project Overview

Drafted: March 16, 2023

Issue: LNG Canada Export Terminal Project overview

Response:

- LNG Canada is creating new, significant economic opportunities for British Columbia. The project is currently in its fifth year of construction.
- LNG Canada continues to hit critical construction milestones and the plant construction is close to 80% complete. The project is on track to export LNG around mid-decade.
- At $40 billion, LNG Canada is the largest private sector investment in Canadian history. The project is expected to generate approximately $23 billion in public revenue over 40 years.
- To date, the LNG Canada project has awarded over $4 billion in contracts to businesses in B.C. and Canada. That includes around $2.7 billion to Indigenous-owned businesses.
- The project has a workforce of over 5,000 people as of January 2023.
- Government is working closely with First Nations, local communities and industry to ensure benefits are being realized and that proponents continue to meet the conditions in their Environmental Assessment Certificate and permits.

Background/Status:

- The LNG Canada project is a joint venture comprised of Shell Canada (40%), PETRONAS (25%), PetroChina (15%), Mitsubishi Corporation (15%) and KOGAS (5%).

Project Description:

- On October 1, 2018, LNG Canada made a positive Final Investment Decision (FID) to construct a liquefied natural gas (LNG) export facility in Kitimat, B.C. It is the largest private sector investment in Canadian history.
- The project received a provincial Environmental Assessment Certificate (EAC) and federal approval through a substituted environmental assessment process (single process covering both the Province and Canada) in June 2015. The EAC is inclusive of Phase 1 and Phase 2. Federal export approval was obtained from the National Energy Board in January 2016.
- LNG Canada has all major permits in place from the BC Energy Regulator (BCER) including B.C.'s first LNG facility permit.

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Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

- LNG Canada requires that the Coastal GasLink (CGL) pipeline be built as it will supply natural gas for the export facility. The CGL pipeline will have one compressor station that has a capacity of 2.1 billion cubic feet per day {bcf/d}. The LNG Canada export facility will have two liquefaction trains that will produce 14 million tonnes per annum.
- Phase 2 of the LNG Canada project would require two more trains at the Kitimat export facility and an expansion of CGL's capacity with the addition of up to seven compressor stations, totalling 5bcf/d. A final decision on whether to pursue Phase 2 has not been made.

Construction Update:

- The export facility is now in its fifth year of construction. LNG Canada and their engineering procurement and construction contractor, JGC Fluor BC LNG JV (JFJV), continue to hit critical construction milestones and the project is on track to export LNG around mid-decade.
- Various infrastructure modules are arriving at the site on schedule and the vapour flare erection has started. All major works on the berth have been completed and remaining activities, such as testing and coating repairs, are scheduled for Q1 2023.

Benefits:

- Jobs and training: The most recent details provided directly from LNG Canada identifies the total workforce as 5,828 (January 2023), with these numbers estimated to reach a peak of approximately 7,000 later in the year. LNG Canada has invested over $4 million since 2015 in trades workforce development programs. LNG Canada has prioritized local hiring first, followed by workers from within B.C. and Canada.
- Economic: LNG Canada will generate approximately $23 billion in public revenue over 40 years.
- Indigenous Nations: LNG Canada has entered into agreements with all affected First Nations. Over $2.7 billion has been awarded in contracts and procurement to Indigenous businesses.
- Environment/climate: LNG Canada is expected to have the lowest GHG emissions intensity of any LNG facility of its kind in the world. Consultations on Phase 2 will be considerate of B.C.'s new action energy framework.

Cross Reference: Coastal GasLink Pipeline Project Profile
LNG Canada Phase 2

Contact:

Suzanne Manahan	A/Assistant Deputy Minister	LNG Canada Implementation Secretariat	250 952-0729

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Title: Coastal GasLink Pipeline Project Profile

Drafted **March 16, 2023**

Issue: **Coastal GasLink Project Overview**

Response:

- The Coastal GasLink project remains on schedule to support LNG Canada's in-service target date around mid-decade.
- The pipeline project is over 84% complete.
- Thousands of people are working on the project. The workforce as of December 2022 was just over 7,000 people.
- Economic benefits continue to increase. Over $1.5 billion has been awarded to B.C. businesses to date. Of this total, over $1.22 billion has been awarded to Indigenous businesses.
- Provincial regulators oversee Coastal GasLink's work to ensure it remains in compliance with their permits and provisions under legislation.

Background/Status:

- The Coastal GasLink (CGL) project is a 670-kilometre pipeline that will deliver natural gas from northeastern B.C. to the LNG Canada facility in Kitimat. Once complete, the pipeline will have a capacity of 2.1 billion cubic feet per day (bcf/d). The project is being developed by TC Energy and 65% equity holders, KKR and the Alberta Investment Management Corporation.
- The project received its B.C. Environmental Assessment Certificate (EAC) in October 2014. The EAC covers a Phase 2 pipeline capacity expansion of up to 5 bcf/d, which would require up to seven additional compressor stations. This expansion is dependent on LNG Canada's decision to increase capacity at its export facility in Kitimat. LNG Canada's EAC also covers this expansion, but LNG Canada has not made a final investment decision for Phase 2.
- The CGL project has created thousands of construction jobs and is projected to create up to 35 permanent field positions during operation and maintenance. Should Phase 2 of the LNG Canada project proceed, further permanent field positions will be required.

Construction Update:

- Preliminary work commenced in early 2019, with mechanical completion targeted for the end of 2023.
- The pipeline project is over 84% complete, with the construction progress at 81% complete.

- Based on the most recent data from February 2023, there were 7,063 workers across the project at the end of December 2022.

First Nations:

- To date, over $1.5 billion has been awarded to local B.C. businesses by CGL. Of this total, over $1.22 billion has been awarded to Indigenous-owned businesses or their joint venture partnerships.
- CGL has signed community and project agreements with all 20 elected First Nations along the pipeline right-of-way.
- Option agreements to purchase an equity stake in the Coastal GasLink Pipeline Limited Partnership have been formally signed by 16 of 20 First Nations communities.
- The Province has signed pipeline benefits agreements (PBAs) with 17 of the 20 First Nations along the pipeline right-of-way. Each mutually exclusive provincial agreement provides Nations with financial support to address their priorities, such as training and education, contracting and employment.

Government Oversight:

- The BC Energy Regulator (BCER) and the Environmental Assessment Office (EAO) have been working closely to oversee compliance and enforcement of the CGL project's construction activities[1]. The BCER has conducted over 400 inspections[2] of CGL to date; the EAO has conducted 68 inspections[3] since construction started in 2019.
- As part of the escalating enforcement action in 2022, the EAO signed a compliance agreement with CGL requiring the project to take more stringent measures to protect waterways from erosion and sediment in areas of new construction. The EAO has issued several warnings and orders since construction started, predominantly related to sediment and erosion control, as well as three fines ($170,100 in May 2022, $72,500 in February 2022 and $213,600 in January 2023).
- The EAC also requires CGL to have plans to manage socio-economic effects directly associated with the project. CGL has had five administrative and two field-based EAO inspections in regards to their Socio-economic Effects Management Plan, and was found fully compliant in all cases.

Cross Reference: LNG Canada Project Overview

Contact:

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[1] Other agencies include the Ministry of Forest, Federal Department of Fisheries and Oceans, and Environment and Climate Change Canada.

[2] Resulting in two orders, a dozen tickets, cited 49 deficiencies, plus three warning letters.

[3] Resulting in 52 warnings, 17 orders to cease/prevent/remedy, and three administrative penalties.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Suzanne Manahan	A/Assistant Deputy Minister	LNG Canada Implementation Secretariat	250 952-0729

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: Coastal GasLink Section 7 Construction

Drafted: March 16, 2023

Issue: Milestones and challenges for Section 7 of the Coastal GasLink pipeline

Response:

- Section 7 of the Coastal GasLink pipeline project is showing significant progress.
- This section of the pipeline is where Coastal GasLink is micro-tunneling under the Morice River.
- The Morice River micro-tunneling work is 81% complete.
- Construction activities are guided by regulations, including permit conditions and environmental management plans.
- Provincial regulators are closely monitoring Coastal GasLink's activities.

Background/Status:

- Section 7 of the Coastal GasLink (CGL) project, which is 77 kilometres in length, is south of the District of Houston and north of Morice Lake.

Construction

- Section 7 is 100% cleared, 81.2% of grading is complete and 51.5% of piping has been installed.
- The Prime Contractor for Section 7, O.J. Pipelines, is collaborating with three Indigenous nations including Natanlii Development Corporation (Skin Tyee Nation), Yinka Dene Economic Development Limited Partnership (Wet'suwet'en First Nation) and Kyah Development Corporation (Witset First Nation).

Water Crossings

- CGL uses both trenched and trenchless crossing methods with an environmental and engineering assessment conducted to determine which method is best.
- CGL is micro-tunneling under the Morice River using a trenchless crossing method. The tunnel is being constructed 11 meters underneath the river without affecting the flow of the river.
- Tunnel boring work under the Morice River is around 81% complete.
- The Clore River, a tributary of the Skeena River in the area, was recently subject to scrutiny by the David Suzuki Foundation. Provincial inspections found no instances of non-compliance; the work on the Clore River is now complete.
- CGL's construction activities, including water crossings, are guided by regulations including permit conditions and environmental management plans.

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Advice to the Minister

Ministry: **Ministry of Energy, Mines and Low Carbon Innovation**
Minister Responsible: **Josie Osborne**

Injunction/Direct Action

- Construction activities in Section 7 have been subject to direct action activities in the past.
- The Supreme Court granted CGL with an interlocutory injunction on December 31, 2019.
- Direct action activities have diminished over the past calendar year, with the most recent example being anonymous claims made online that multiple pieces of pipeline infrastructure had been damaged before it was put in the ground.
- CGL is conducting a quality review and the RCMP have opened a formal investigation; to date no damages have been found.

Cross Reference: Coastal GasLink Pipeline Project Profile

Contact:

Suzanne Manahan	A/Assistant Deputy Minister	LNG Canada Implementation Secretariat	250 952-0729

2023/24 Estimates Note
Advice to the Minister

Ministry: Ministry of Energy, Mines and Low Carbon Innovation
Minister Responsible: Josie Osborne

Title: LNG Canada Phase 2

Drafted: March 16, 2023

Issue: **British Columbia is discussing a possible Phase 2 expansion with LNG Canada; the project must continue to meet provincial conditions and consultations will consider the new energy action framework.**

Response:

- The provincial government is discussing a possible Phase 2 expansion with LNG Canada, and how that can be achieved while meeting British Columbia's five conditions for LNG development.
- Discussions will also consider B.C.'s new energy action framework.
- There will be a task force established to accelerate the electrification of our economy.
- BC Hydro has an expression of interest out now to identify demand for electricity in northern B.C. Cost and time estimates will be developed as potential transmission upgrade projects proceed.
- At this time, LNG Canada has not made a final investment decision about Phase 2.

Background/Status:

- The LNG Canada project received a provincial Environmental Assessment Certificate (EAC) and federal approval through a substituted environmental assessment process (single process covering both the Province and Canada) in June 2015. The EAC is inclusive of Phase 1 and Phase 2.
- On October 1, 2018, LNG Canada made their final investment decision (FID) to construct Phase 1 of their export facility in Kitimat, B.C. on the traditional territory of the Haisla Nation.
- Currently, LNG Canada's liquefaction process will operate on natural gas turbines as permitted. Phase 1 of the facility consist of two liquefaction trains that will produce 14 million tonnes per annum.
- LNG Canada has all the necessary permits they need to build Phase 2. These permits allow for the use of gas-fired turbines to power two additional trains at the site in Kitimat. The Coastal GasLink (CGL) project would require up to an additional seven compressor stations along the pipeline's right-of-way.
- BC Hydro is aware of LNG Canada's Phase 2 ambitions to electrify. An assessment is underway to consider the industrial demand for new transmission

infrastructure to the North Coast of B.C. BC Hydro has released an expression of interest to identify potential industrial customers.

- Provincial engagement and consultations will move forward in recognition of British Columbia's four key action items associated with the new energy action framework:
    - require all proposed LNG facilities in or entering the environmental assessment (EA) process to pass an emissions test with a credible plan to be net zero by 2030;
    - put in place a regulatory emissions cap for the oil and gas industry to ensure B.C. meets its 2030 emissions-reduction target for the sector;
    - establish a clean-energy and major projects office to fast-track investment in clean energy and technology and create good, sustainable jobs in the transition to a cleaner economy; and
    - create a BC Hydro task force to accelerate the electrification of B.C.'s economy by powering more homes, businesses and industries with renewable electricity.
- To date, LNG Canada has not made a FID for Phase 2.

Cross Reference: LNG Canada Project Overview
Government's Five Conditions for LNG

Contact:

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Issue: BRFN and Treaty 8 First Nations Agreement Implementation

Recommended Response:

- In January, government signed multiple, historic reconciliation agreements with Blueberry River First Nations (BRFN) and other Treaty 8 First Nations.
- The agreements are designed to address the cumulative impacts of industrial activity, which have negatively impacted their treaty rights. And specifically in Blueberry River's case, infringed their treaty rights.
- It is our obligation to better protect Treaty 8 rights, and honour the treaty signed on behalf of British Columbians, over 100 years ago.
- Five provincial ministries have responsibility for implementing these agreements, including the funding assigned.
- WLRS is responsible for stewardship, land use planning, water, Together for Wildlife, restoration, and some cumulative effects management aspects of the agreements.

Additional Response points (if needed):

- The Agreements signed January 18 were posted in early March, with minor redactions given the ongoing nature of similar negotiations with three other Treaty 8 Nations at the time.
- Agreements with West Moberly, McLeod Lake and Prophet River First Nations are expected in the last two weeks of March and will be posted as soon as the parties are ready.
- The cross-government teams responsible for implementation are engaging stakeholders as part of the work.

Restoration:

- We are committed to creating two independent entities with Treaty 8 Nations over the next few months, consistent with our agreements.

- We have committed over Government Financial to restoration for these Funds, over the next ten years.
- We will seek contributions from other organizations to both contribute to this Government Financial and contribute more over time.

Key Facts:

Four Treaty 8 Nations who signed Letters of Agreement and Revenue Sharing Agreements on January 18: Saulteau, Halfway River, Doig River and Fort Nelson. These agreements are based on a co-developed "Consensus Document" which is a framework document addressing initiatives needed to better protect treaty rights and support responsible resource development.

Fiscal components of agreements (with accountable ministry noted in parentheses):

- BRFN restoration fund ("Blueberry River Restoration Society"): Governme commitment by June 30, 2025 (WLRS).
- Treaty 8 restoration fund: Government commitment by 2031 (WLRS).
- BRFN capacity funding: Government for various components (MIRR).
- Treaty 8 Nation capacity funding (each) including FY22/23: Governme years generally, and shared Government Financial for stewardship, cumulative effects and land use planning activities (MIRR and WLRS).
- Wildlife management: All Treaty 8 Nations (including BRFN) shared: Government Financial years, Gover specific this FY (WLRS and FOR).
- Water quantity management: BRFN/BC only: Up to Government Financial specific to this FY (WLRS).
- Incentive payments for rapid development and restoration planning: BRFN - up to Gover by 2025; Treaty 8 shared - up to Gover by 2025 (MIRR and EMLI).
- Honouring the Treaty action plans: BRFN - Governm ; Treaty 8 shared - Governme (MIRR).
- Revenue sharing based on model for 10% of petroleum and natural gas revenues: BRFN - Government Financial minimum, can increase based on PNG activity generating royalties, Governm min. specific to this FY; Treaty 8 – over Government Financial expected, will vary based on PNG activity generating royalties, with minimum contributions set by Nation (MIRR). No revenue sharing for timber harvesting.

Date Prepared/Revised: March 3, 2023

Ministry Executive Sponsor:
Name: Morgan Kennah — Phone: 250-896-6268

Alternate Contact for Issue:
Name: James Cuell, Executive Director — Phone: 250 877-1615

2023/24 Estimates Note
Advice to the Minister

Ministry: **Premier's Office**
Minister Responsible: **The Honourable David Eby, Premier of British Columbia**

Title: BC Hydro Task Force

Drafted/Revised: May 5, 2023

Issue: BC Hydro Task Force

Response:

- Transitioning away from fossil fuel use is essential to meeting the Province's greenhouse gas reduction targets and supporting new clean growth opportunities. A key focus in this transition is electrification.
- A BC Hydro Task Force was announced in March 2023 as part of the Province's Energy Action Framework.
- The Task Force will accelerate the planning and procurement of new infrastructure needed to power B.C.'s economy with clean electricity instead of fossil fuels, while keeping rates affordable.
- It will also identify and advance Indigenous ownership opportunities in future electricity generation and transmission investments.
- The Task Force will include senior officials from the Province and BC Hydro, Indigenous representation, and independent expertise.
- The Ministry of Energy, Mines and Low Carbon Innovation expects the BC Hydro Task Force to have its first meeting in late May or early June.

Background/Status:

- On March 14, 2023, Government announced a New Energy Action Framework in association with the announcement of Cedar LNG receiving its Environmental Assessment Certificate. Under the Energy Action Framework the Province committed to:
  - Requiring all proposed LNG facilities in or entering the environmental assessment (EA) process to pass an emissions test with a credible plan to be net zero by 2030;
  - Putting in place a regulatory emissions cap for the oil and gas industry to ensure B.C. meets its 2030 emissions-reduction target for the sector;
  - Establishing a clean-energy and major projects office to fast track investment in clean energy and technology and create good, sustainable jobs in the transition to a cleaner economy; and

2023/24 Estimates Note
Advice to the Minister

Ministry: **Premier's Office**
Minister Responsible: **The Honourable David Eby, Premier of British Columbia**

  - Creating a BC Hydro Task Force to accelerate the electrification of B.C.'s economy by powering more homes, businesses and industries with renewable electricity.

- The Task Force is mandated to accelerate the planning and procurement of new infrastructure needed to power B.C.'s economy with clean electricity instead of fossil fuels, while keeping rates affordable. It will also identify and advance Indigenous ownership opportunities in future electricity generation and transmission investments.

- Accelerating planning and permitting will help the Province meet its CleanBC objectives ensuring that electricity is available in the right place and the right time to support economic development.

- For example, the twinning of BC Hydro's transmission line between Prince George and Terrace is expected to take 8-10 years. Increasing the electricity capacity to the North Coast will support clean economic development in the mining, hydrogen and LNG sectors as well as increasing electric capacity at the Port of Prince Rupert. The Task Force is intended to support this type of development by accelerating development timelines.

- As of May 4, 2023, the terms of reference and membership of the Task Force is under development. The Task Force will include senior officials from the Province and BC Hydro, Indigenous representation, and independent expertise.

Cross Reference:

Contact:

Les MacLaren	Assistant Deputy Minister	Electricity and Alternative Energy Division	778-698-7183

ESTIMATES NOTE (2023) **Confidential** Ministry of Environment and Climate Change Strategy Climate Action Secretariat **March 2023**	**Carbon Tax**

KEY FACTS

Carbon tax introduction and changes

- **British Columbia (B.C.) introduced a carbon tax in 2008 at $10 per tonne of carbon dioxide equivalent (tCO2e).**
    - Through annual $5/tCO2e increases, the carbon tax reached $30/tCO2e in 2012. The carbon tax remained at $30/tCO2e until 2018, when it began increasing again at a rate of $5/tCO2e year.
    - In response to COVID-19, the scheduled increase to $45/tCO2e on April 1, 2020, was not implemented until April 1, 2021. The tax increased by $5/tCO2e on April 1, 2022, reaching $50/tCO2e.
    - Canada is increasing the federal backstop carbon price by $15/tCO2e each year starting in 2023 until it reaches $170/tCO2e in 2030. All Canadian jurisdictions are required to have an equivalent system in place or the federal backstop will be imposed.
    - B.C. committed to meet or exceed the federally proposed carbon price trajectory in the Roadmap to 2030. In 2022, the Government undertook a review of the carbon tax and CleanBC Program for Industry (CPI) to ensure B.C.'s approach will be equivalent to the federal carbon pricing system.
    - The review included detailed economic modelling, engagement with Indigenous partners, industry, and equity-seeking groups to assess implications and ensure a robust system is in place for 2023. Following the review, and as part of Budget 2023, the government decided to increase the carbon tax rate to match the federal price path and transition to a new industrial carbon pricing system called an Output Based Pricing System (OBPS).
    - Starting on April 1, 2023, B.C.'s carbon tax will increase by $15/tCO2e to $65/tCO2e, equivalent to about 3.3 cents extra on a litre of gasoline. In April 2024, B.C. will transition to an OBPS, ensuring significant emissions reductions and more flexible compliance options for industry.
    - The current industrial pricing system, the CleanBC Industrial Incentive Program, will remain in place for a transition year over the course of 2023. The CleanBC Industry Fund, which funds emissions reductions projects together with industry, will remain in place.
    - In the B.C. OBPS, carbon tax will continue to apply to purchased fuels, except for those consumed by large industrial emitters. They will be allowed to emit up to a certain limit and expected to pay the full carbon tax

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for any excess emissions.

Carbon tax administration and revenues:

- **Tax policy decisions are the responsibility of the Minister of Finance.**
  - B.C.'s carbon tax is the highest in North America and one of the highest, broad-based carbon taxes in the world. The carbon tax signals emission reductions across the economy and encourages sustainable economic activity and green jobs.
  - **Internal and confidential**: B.C.'s carbon tax covers the purchase and use of fossil fuels by both individuals and industry (~70-75% of emissions in a given year). The carbon tax generated an estimated $2.05 billion in the 2021/22 fiscal year, and $2.21 billion in 2022/23.
  - Budget 2023 estimates $2.81 billion in carbon tax revenues for the 23/24 fiscal year, with revenues expected to rise an average of 15.2 percent annually until 2025/26 to reflect rate increases.

Estimated Impacts of the Carbon Tax Increase:

- The Government recognizes the need to protect household affordability and maintain business competitiveness.
- Carbon tax revenue helps families through the B.C. Climate Action Tax Credit (BCCATC) and the BCCATC will increase along with the carbon tax. In 2023, a single person can receive up to $447 per year and a family of four can receive almost $900 per year.
- In response to COVID-19, government provided $500 million in support for families in the form of a one-time, enhanced Climate Action Tax Credit payment, administered in July 2020. For this payment, the income maximum increased from $64,206 to $154,506 for a family of four to assist more British Columbians and the quarterly payment amount increased by up to $174.50 per adult and $51.25 per child.
- More than 80% of B.C. families received an enhanced BCCATC in July 2020 – helping families with up to an additional $450, double the annual amount.
- As B.C.'s carbon price increases, this government is committed to working with industry in B.C. to ensure our province remains a competitive place to invest.
- B.C.'s carbon price increase occurs alongside rising nationwide and global carbon prices, mitigating effects on B.C. competitiveness. Worldwide, 68 carbon pricing instruments, including taxes and emissions trading systems, put a price on carbon as of 2022, representing over 23% of global emissions.

Contact: Jeremy Hewitt, Assistant Deputy Minister
Climate Action Secretariat, (250) 387-1134

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ESTIMATES NOTE (2023) **Confidential** Ministry of Environment and Climate Change Strategy Climate Action Secretariat **March 2023**	**CleanBC, Affordability, and Business Competitiveness**

KEY FACTS

Household affordability:

- Implementing the CleanBC Roadmap to 2030 is not without costs but it also offers new economic opportunities and will help avoid future costs.
- Roadmap commitments such as increasing the carbon tax, strengthening the Low Carbon Fuel Standard, and establishing an emissions cap for natural gas utilities are intended to increase the cost of fossil fuels, which needs to happen in order to meet BC's climate targets.
- Households and businesses can reduce or avoid these costs by using energy more efficiently and switching to renewable energy.
- Supporting household affordability under CleanBC will continue to be a key focus, especially for those who need it most (e.g. low-income households, and rural and northern households that often have higher energy costs and different access to lower-carbon solutions than households in urban areas).
- The Province is enhancing the Climate Action Tax Credit to help offset rising costs for the people most affected by an increasing carbon price. By 2030, it is expected a significant majority of British Columbians will receive more through the enhanced credit than they pay in carbon tax costs. (see Carbon Tax note).
    - $447.00 per adult and $111.50 per child in the 2023/24 financial year.
    - $504.00 per adult and $126.00 per child in the 2023/24 financial year.
    - $606.00 per adult and $151.50 per child in the 2023/24 financial year.
- The Province is working to ensure the affordability and accessibility of CleanBC programs. Examples include:
    - partnering with FortisBC and BC Hydro to provide incentives for energy efficiency and fuel switching;
    - continuing incentives for zero emission vehicles and charging equipment;
    - continuing incentives for heat pumps and other home energy improvements, with greater support for lower- and moderate-income households, and rural and northern homeowners;
    - making heat pumps, used electric vehicles, electric bikes, and electricity itself PST exempt; and
    - investing in active transportation and transit projects.

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- As Roadmap policies are developed and implemented we will continue to keep a close eye on cost impacts.

Industrial competitiveness:

- Carbon pricing is an important part of the CleanBC Roadmap to 2030 and the Province committed to enhancing our existing carbon pricing system for industry. Starting April 1, 2023, the carbon tax will increase by $15/per tonne each year until it reaches $170 in 2030.
- The Climate Action Secretariat worked with the Ministry of Finance over the past two years to review B.C.'s carbon pricing policies and programs. CAS and FIN engaged with industry, Indigenous people, and equity-seeking groups on the best design for a new carbon pricing system
- In 2023, B.C. will transition to a new made-in-B.C. Output-Based Pricing System (B.C. OBPS). A B.C. OBPS will help industry to reduce emissions, while staying competitive and aligning with the federal benchmark.
- Starting April 1, 2024, the B.C. OBPS will replace the CleanBC Industrial Incentive Program (CIIP). The CleanBC Industry Fund (CIF) will remain in place but also undergo a transition year in 2023 to align with B.C. OBPS implementation in 2024.
- A portion of revenues paid by industry regulated by the B.C. OBPS will be directed to continuing the CleanBC Industry Fund (CIF), which supports the development, trial, and deployment of projects that reduce GHG emissions from large industrial operations.
- In the interim, the existing CleanBC Program for Industry will continue to support industrial competitiveness under its current funding model until the B.C. OBPS is ready for implementation.
- Further policy development and engagement to finalize B.C.'s OBPS will occur in 2023 by the Ministries of Environment and Climate Change Strategy and Finance. (see CleanBC Program for Industry note).
- Less stringent carbon pricing and climate policy in other jurisdictions can affect business competitiveness in B.C., particularly for sectors that are emissions-intensive and trade-exposed (EITE). However, climate policy represents a relatively small share of costs faced by industry when compared to others (e.g,. transportation, labour, and corporate income tax).

Contact: Jeremy Hewitt, Assistant Deputy Minister
Climate Action Secretariat, (250) 387-1134

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ESTIMATES NOTE (2023) **Confidential** Ministry of Environment and Climate Change Strategy Environmental Protection Division **February 2023**	**Teck, Administrative Monetary Penalty Determination**

KEY FACTS

- **On January 31, Teck Coal Ltd. (Teck) was issued three determinations of administrative monetary penalty (AMP) for non-compliance with Valleywide Permit 107517, totaling $16.56 million, for non-compliance that occurred between 2019 and 2021.**
- Teck has filed an appeal of the AMPs with the Environmental Appeal Board, no dates have been set for next steps at this time.
- From 2017 through 2022, Teck was issued nine administrative penalties totalling **$670,400** (see table below).
- Permit 107517 (Valley-wide Permit) authorizes the discharge of effluent from five coal mine sites within the Elk Valley near Elkford and Sparwood. The Valley Permit regulates metals and nutrients and includes nitrate, selenium, sulphate, cadmium and toxicity as part of an area-based management program for the Elk Valley.
- Teck has failed to comply with the requirements of Permit 107517 since it was issued in Nov. 2014. Non-compliance relates to permit limits for selenium, nitrate, sulphate, toxicity, missed deadlines for brinigng treatment online, and missed monitoring and reporting.
- Since 2015, **61** inspections for Valleywide Permit 107517 have resulted in **16** advisories, **19** warnings, **15** referrals for AMP, and **2** referrals for investigation.
- Details on the three AMPs from 2023 include:
  - **AMP 2019-22 – $15.48 M:** For failing to have the Fording River South Active Water Treatment Facility operational by the required date (Dec. 31, 2018) or ensuring alternative mitigation is in place to meet the targets and timeframes for water quality as per the area-based management plan. The facility is required to treat effluent from the Swift, Cataract and Kilmarnock Creeks for selenium and nitrate. The penalty spans the period from Jan. 1, 2019 to March 15, 2021. Commissioning of the facility has since been completed and began operating July 1, 2022.
  - **AMP 2019-21 – $864,000:** For 48 nitrate exceedances that occurred between January 2019 and February 2021, ranging from 6-51% over the permit limits ($18,000 per event). This has been a persistent issue, with 180 nitrate exceedances since Feb. 2015. Teck acknowledges these will likely continue into 2025.

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- **AMP 2021-25 – $216,000:** For nine selenium exceedances ranging from 4-25% over the permit limit ($24,000 per event). Since Nov. 2014, there have been 93 daily exceedances and 45 monthly exceedances ranging up to 537% above the permit limit.

- The penalty amounts in the determinations were achieved using consistent methods applied to other parties regulated by EMA, including B.C.'s coal mining industry.
- There are 6 AMPs remaining in-process for Valleywide Permit 107517

AMPs issued to Teck 2017-2022:

EVO = Elkview Operations; FRO = Fording River Operations; GHO = Greenhills Operations; LCO = Line Creek Operations; Valleywide = Valleywide Permit 107517

Site	Number	Date Finalized	Non-Compliance(s)	Final AMP
EVO	2020-70	2022-05-04	Failure to comply with section 6(2) of the *Environmental Management Act* (unauthorized discharges from the EVO Coal Processing Plant)	$198,000
FRO	2020-22	2022-04-07	Failure to comply with sections 2.1 and 2.2 of Fording River Effluent Permit 424 (sewage treatment facility)	$62,000
FRO	2019-54	2022-02-15	Failure to comply with sections 1.12.2 and 2.1 of Fording River Effluent Permit 424 (wastewater cells)	$84,800
LCO	2020-58	2021-05-10	Failure to comply with section 2 of Permit 106970 (failure to meet minimum in-stream flow requirements in Dry Creek).	$40,000
Valley-wide	2018-17	2021-03-08	Failure to comply with Daphnia non-toxicity requirements of Permit 107517 (Section 7.2).	$120,000
EVO	2018-20	2020-05-14	Failure to comply with sections 1.3.1 and 2.2 of Elkview Effluent Permit 425 (failure to report and sample in response to emergency condition, TSS exceedance at Goddard Creek sedimentation ponds)	$28,000
EVO	2018-13	2019-03-04	Failure to comply with sections 1.2.2 and 2.3 of Elkview Air Permit 1807 (Coal Breaker Stack)	$37,500
GHO	2015-19	2018-09-12	Failure to comply with section 2.2 of Permit 6248 (unauthorized bypass of Greenhills Sediment Pond Catch Basin).	$22,000
LCO	2015-08	2017-11-02	Failure to comply with sections 1.6.2, 2.1, and 4.1 of Line Creek Effluent Permit 5353 (heavy duty steam bays)	$78,100

Contact: Brady Nelless, Executive Director
Compliance and Environmental Enforcement
Phone 778-349-6051

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MINISTRY OF FINANCE

ISSUE: YEAR END SPENDING

ADVICE AND RECOMMENDED RESPONSE:

SUPPLEMENTARY ESTIMATES

- We knew last year's surplus was unlikely to happen again, which is why we tabled Supplementary Estimates
- Supplementary Estimates is an important step to secure more spending authority from the Legislative Assembly to provide services and supports to British Columbians
- I'd been clear for some time that government would seek to use some of the 2022/23 revenue improvement to help British Columbians
- That is why we tabled $2.7 billion in supplementary estimates to continue to support people and communities across the Province

CONTINGENCIES & SPENDING ON YEAR END INITIATIVES

- In addition to Supplemental Estimates, Treasury Board authorizes approvals, or reallocation, from the existing contingencies vote for new spending when the Ministry of Finance feels there is likely to be room within the vote.
- Contingencies approved are a maximum. Actual contingencies drawn depend on the final voted appropriation used in the year, any accruals or adjustments arising from the audit, and the application of statutory authority.
- Final numbers for the total amount of year end spending are not known until the release of Public Accounts
- In terms of actual results, ministries are accountable for reporting. In some cases, year end spending is intended to cover activities over multiple years, in which case actual results would not be known for some time.
- While the funding contribution is one-time in nature, these initiatives are anticipated to provide long-term supports and benefits to British Columbians and communities to come
- For example, In April we announced a one time $200 million fund to help First Nations offset costs associated with the provincial engagement on the

implementation of the Declaration Act. The Indigenous-led New Relationship Trust will manage the funding over multiple years.

DECISION PROCESS:

- When the Minister of Finance and I met to discuss the 2022/23 revenue improvements, our focus was on identifying measures that used the unexpected surplus to support people, to support communities, to support First Nations and to support local governments, while also alleviating pressure on future budgets by accelerating items that were already planned.
- Ministries and government MLAs were also asked to identify items that would support people in the province when they needed it.
- The Minister of Finance made the final decision as to which ministries were authorized to initiate new spending requests for decision
- Authorized ministries were required to demonstrate the intent and expected impact of the new spending request
- Significant new programs or measures went to Treasury Board or to the Chair under the delegation framework.
- All decisions were authorized by the Chair of Treasury Board, consistent with normal practice

MINISTRY OF FINANCE

MINISTRY OF FINANCE
DEPUTY MINISTER'S OFFICE (IN COOPERATION WITH TBS, CAS AND MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL)
ISSUE NOTE

ISSUE: ICBC

ADVICE AND RECOMMENDED RESPONSE:

- As of December 2022, ICBC's forecast net loss for the full year 2022/23 was $298 million. This compares to planned net income of $327 million in *Budget 2022*.
- The $625 million forecast deterioration reflects:
  - Significantly lower investment earnings due to global market volatility and higher inflation and interest rates.
  - Increased overall claims costs primarily from higher injury and material damage costs due to inflationary pressures. This is partially offset by lower current year Enhanced Care claims and a lower valuation for unpaid claims.
- Going forward, ICBC expects to break even in 2023/24, followed by forecast surpluses of $450 million in each of 2024/25 and 2025/26. This reflects:
  - A continuing weakened outlook for investment earnings in 2023/24, followed by a recovery in the next two years.
  - ICBC's December 2022 rate application to the British Columbia Utilities Commission, which proposes no

overall change to Basic insurance rates for the next two years.

- Rising costs per claim due to the effects of inflation on replacement parts, labour and Enhanced Care benefits indexed to the B.C. consumer price index.

- Generally, all of ICBC's net income will stay with the corporation to help ensure that ICBC remains financially sustainable while keeping Basic rates as low as possible.

KEY FACTS/DISCUSSION:

Third Quarter – 2022/23

- Table 4.8 in *Budget 2023* (Third Quarterly Report – Q3) shows that ICBC has forecast a $298 million (M) net loss in 2022/23. This compares to planned net income of $327 M in *Budget 2022*, and net income of $2.2 B in 2021/22.

Table 4.8 2022/23 Revenue by Source

	Year-to-Date to December 31				Full Year			
	2022/23			Actual	2022/23			Actual
($ millions)	Budget	Actual	Variance	2021/22	Budget	Forecast	Variance	2021/22
Commercial Crown corporation net income								
ICBC	334	186	(148)	1,692	327	(298)	(625)	2,216

- The Q3 forecast was $625 M less than originally budgeted. The deterioration reflects:

Advice/Recommentations

  - Claims costs: up[Governmen]t reflecting rising costs per claim due to the effects of inflation on replacement parts, labour and Enhanced Care benefits indexed to the B.C. consumer price index. The volume of large bodily injury claims from past years was also higher than planned.
  - Combined, operating costs, premium and other revenue sources were over[Government Financial] better than planned.
- As expected, with the implementation of the Enhanced Care model on May 1, 2021, lower claims costs have continued to benefit ICBC's customers through lower premiums.

Outlook – 2023/24 – 2025/26

- ICBC expects to break even in 2023/24, followed by forecast surpluses of $450 M in each of 2024/25 and 2025/26. This reflects:

Advice/Recommentations

  - ICBC's December 2022 rate application to the British Columbia Utilities Commission, which proposes no overall change to Basic insurance rates for the next two years.

- However, as required, ICBC will continue to make changes to Optional rates, reflecting increasing costs for Optional vehicle repair and third-party coverages in line with experience of other optional insurers.
- Rising costs per claim due to the effects of inflation on replacement parts, labour and Enhanced Care benefits indexed to the B.C. consumer price index.

Table 1.4 Revenue by Source

($ millions)	Updated Forecast 2022/23	Budget Estimate 2023/24	Plan 2024/25	Plan 2025/26
Commercial Crown corporation net income				
ICBC	(298)	-	450	450

- Generally, all of ICBC's net income results flow to the corporation's capital reserves to help ensure that ICBC remains financially sustainable while keeping Basic rates as low as possible. Further details on ICBC's financial results, including capital reserves, will be provided later in the year when ICBC releases its Service Plan Report and audited financial statements.

MINISTRY OF FINANCE
DEPUTY MINISTER'S OFFICE (IN COOPERATION WITH TBS, CAS AND MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL)
ISSUE NOTE

KEY QUESTION/TOPIC AREAS:

Outlook Risks

- ICBC continues to monitor the following forecast risks:
  Advice/Recommentations

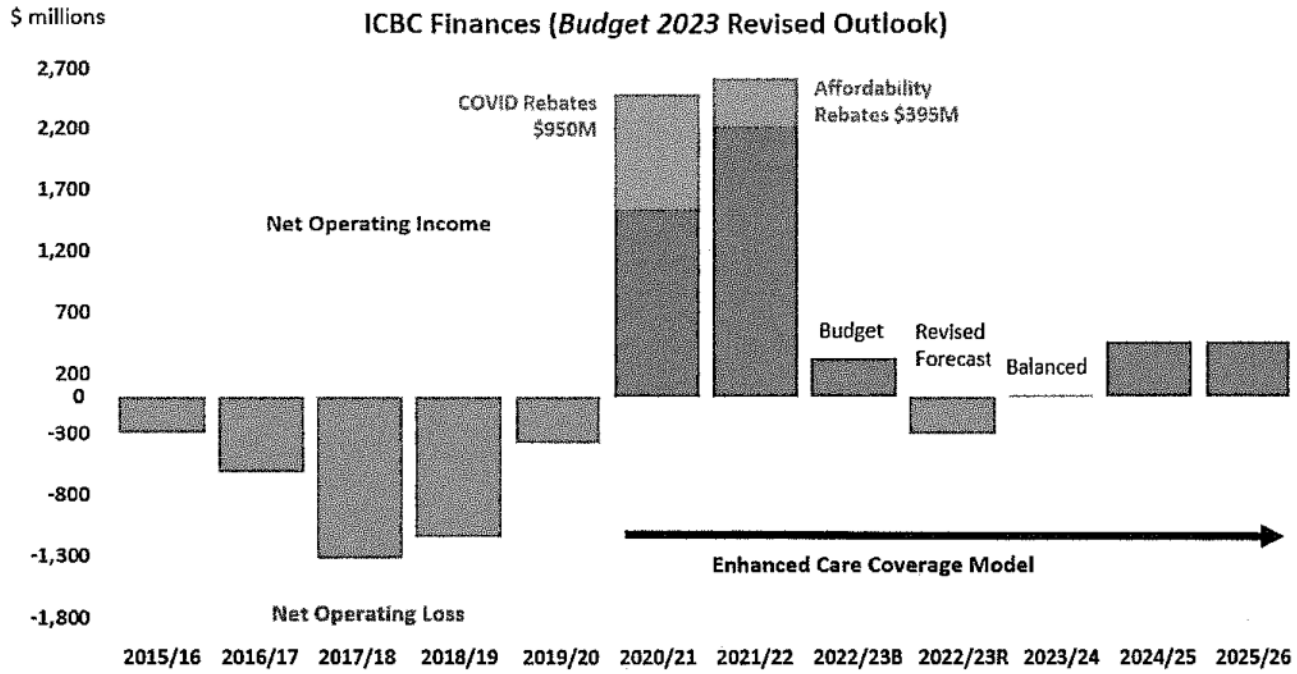
  - ICBC is required to follow International Financial Reporting Standards (IFRS). Beginning in 2023/24, IFRS is changing its standards and this will impact on ICBC. Of most significance, ICBC will now be required to report as part of its annual net income/loss, any "below-the-bottom-line" changes in ICBC's investments (e.g., unrealized gains/losses and valuation adjustments). The effect of this change introduces even more volatility in ICBC's bottom-line results due to changes in investments markets, and another reason for using prudent ICBC and Fiscal Plan forecast assumptions and allowances.
  - Costs per claim and the continued effects of inflation on replacement parts, labour and Enhanced Care benefits indexed to the B.C. consumer price index.
  - Emergence of large bodily injury claims from crashes that occurred in previous years and covered under the previous insurance model (full legal tort claims).

- BC's Enhanced Care is a new product for which only *limited* experience data is available. Claims activity and cost assumptions continue to be developed using external data in other jurisdictions adjusted to reflect conditions in B.C. Should those assumptions turn out to be different, this could result in higher/lower claims costs for ICBC.
- Impacts from any legal challenges underway or that emerge.

ICBC's Fiscal Sustainability

- ICBC continues its path back to financial health at a quicker than expected pace, despite the effects of emerging weaker-than-expected investment markets and high inflation in 2022/23.
- The corporation is also rebuilding its capital reserves that will help sustain ICBC's finances into the future.

MINISTRY OF FINANCE
DEPUTY MINISTER'S OFFICE (IN COOPERATION WITH TBS, CAS AND MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL)
ISSUE NOTE



- Starting in 2019, government purposefully and thoughtfully transformed B.C.'s public auto insurance system – the largest reform in ICBC's history.
- The new Enhanced Care model was successfully implemented on May 1, 2022, putting more dollars into care for the injured – instead of for legal bills.
- These changes are bringing ICBC back into financial health while keeping auto insurance costs affordable for British Columbians.

Contact: Doug Foster/ Susanne Steinmetz **Phone:** 250 387-9022/ 778 698-1555

MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

ISSUE: Carbon Pricing

ADVICE AND RECOMMENDED RESPONSE:

- Carbon tax rates are increasing to $65 per tonne of CO2 equivalent emissions effective April 1, 2023.
- The carbon tax will continue to increase by $15 per year until rates reach $170 per tonne on April 1, 2030.
- With these increases, British Columbia will be aligned with federal carbon pricing requirements, and the federal government confirmed this in November 2022.
- To protect affordability, revenues generated by the new carbon tax increases will be directed to carbon tax relief for British Columbians through enhancements to the climate action tax credit.
- Additionally, starting April 1, 2024, large emitters, such as pulp and paper mills, oil and gas operations, and large mines, will transition to a new carbon pricing model. This new, made-in-B.C. output-based pricing system will establish performance-based emissions limits and price operations' emissions that exceed those limits.

Contact: Renée Mounteney
Division: Policy and Legislation
File Name: 02_MO_PLD_Carbon Pricing

Phone: 778 698-5824

MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

KEY FACTS:

- In the CleanBC *Roadmap to 2030*, released in October 2021, B.C. committed to meeting or exceeding the federal price for the upcoming 2023-2030 benchmark period.
- *Budget 2023* forecasts carbon tax revenue of $2.811 billion in 2023/24, $3,034 billion in 2024/25, and $3.383 billion 2025/26.
- The requirement for the tax to be revenue neutral, where tax increases had to be matched by reductions elsewhere, was ended in *Budget 2017 Update*. None of the offsetting tax reductions introduced prior to ending revenue neutrality were reversed.
- Carbon tax revenue flows into general revenue. However, *Budget 2018* committed to direct the incremental revenues above $30 per tonne to:
    - Relief for families (i.e., the climate action tax credit);
    - Support for industry, namely, the CleanBC Program for Industry, which includes:
        - The CleanBC Industrial Incentive Program, which provides incentives to large industrial operations if their emissions meet or beat world-leading emissions benchmarks; and
        - The CleanBC Industry Fund, which finances emissions reductions projects; and,
    - New green initiatives.

- Incremental revenues from the new $15 per tonne carbon tax rate increases will be directed to enhancements to the climate action tax credit. For 2023/24:
    - The maximum amount for adults increases from $193.50 to $447.00;
    - The maximum amount for a spouse or common-law partner increases from $193.50 to $223.50;
    - The maximum amount for children increases from $56.50 to $111.50; and,
    - Single parent families will continue to receive the adult amount for the first child in the family.
- Government will monitor revenues from the new carbon pricing framework on an annual basis and prioritize directing incremental revenues to relief for people through the climate action tax credit.
- Starting April 1, 2024, large emitters, such as pulp and paper mills, oil and gas operations, and large mines, will transition to a new carbon pricing model. This new, made-in-B.C. output-based pricing system (OBPS), will establish performance-based emissions limits and price operations' emissions that exceed those limits.
    - A portion of revenues paid by industry regulated by the OBPS will be directed to continuing the CleanBC Industry Fund.

MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

CURRENT STATUS:

- The Ministry of Finance will be working with the Ministry of Environment and Climate Change Strategy to develop the details to implement B.C.'s OBPS on April 1, 2024.
- Additionally, the Ministry of Finance and the Ministry of Environment and Climate Change Strategy will review the rates under the carbon pricing framework prior to 2026 to ensure it is working to achieve provincial emissions reduction targets.

Contact: Renée Mounteney
Division: Policy and Legislation
File Name: 02_MO_PLD_Carbon Pricing

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MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

QUESTIONS AND ANSWERS

ISSUE: Carbon Pricing

Question: Why is government increasing the carbon tax this year?

Answer:

On April 1, 2023, the carbon tax will increase from $50 per tonne of carbon dioxide equivalent emissions to $65 per tonne. With these increases, British Columbia will be aligned with federal carbon pricing requirements. B.C. must maintain a carbon price that is in line with the federal price requirement—a requirement which applies to all provinces and territories. If B.C. goes below this price, then the federal government will implement its own backstop carbon levy.

Question: Is industry now exempt from paying carbon tax? How will you ensure they reduce their emissions?

Answer:

Industry will be exempt from paying fuel and combustible-based taxes imposed under the *Carbon Tax Act* starting April 1,

2024. However, this does not mean they are exempt from paying for their emissions.

Industry will be subject to sector-specific performance standards under a new made-in-BC output-based pricing system.

They will need to pay for any excess emissions above their stated performance standard using a combination of offset units, earned credits issued to facilities emitting under their performance standards, and a compliance charge at the carbon tax rate (e.g., $170/tonne in 2030).

Decisions related to performance standards will be made jointly by the Ministers of Environment and Climate Change Strategy and Finance in the coming months.

Advice/Recommentations

MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

Advice/Recommentations

Question: Emissions have generally remained flat in B.C. since the carbon tax was introduced. Advice/Recommentations

Advice/Recommentations

Answer:

The carbon tax is an important part of our CleanBC *Roadmap*, which includes a suite of targeted actions to help address the climate crisis and create a cleaner economy.

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Division: Policy and Legislation
File Name: 02_MO_PLD_Carbon Pricing

Phone: 778 698-5824

MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

A range of studies have shown that B.C.'s carbon tax has reduced emissions and incentivized more environmentally friendly options in different areas. Emissions from gasoline, diesel and natural gas consumption were lower than would have otherwise occurred without the carbon price. Modelling and other research suggests that without the carbon tax, BC emissions would have been higher.

Carbon pricing is widely supported by industry, stakeholders and academics because it has been shown to work around the world.

Contact: Renée Mounteney
Division: Policy and Legislation
File Name: 02_MO_PLD_Carbon Pricing

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MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

ISSUE: Inflation and Affordability

- Since late-2021 inflation rates have been above recent historical averages – most recently, B.C.'s inflation rate (year-over-year) was 4.7 per cent in March, down from 6.2 per cent in February.
- Inflation has been driven by housing costs, energy and food prices, supply disruptions and tight labour market conditions, in combination with strong global and domestic demand.
- The Bank of Canada predicts Canadian inflation to decline to around 3 per cent in the middle of 2023 and reach the 2 per cent target by the end of 2024.

ADVICE AND RECOMMENDED RESPONSE:

- Prices rose dramatically across all provinces in 2022, as strong demand for goods and services was met with supply-chain challenges and high global commodity prices (compounded by the war in Ukraine).
- In 2022, B.C.'s inflation rate averaged 6.9 per cent, the fastest annual rate since 1982.

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Division: Policy and Legislation

File Name: 10_MO_PLD_Inflation-Affordability

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- Inflation in B.C. has eased somewhat but remains elevated at 4.7 per cent in March 2023.
- High inflation has led to a sharp increase in interest rates by central banks. Higher interest rates are expected to weigh on the economy this year.
- I know some people are feeling vulnerable right now about day-to-day expenses that have gone up with inflation.
- That's why the *Budget 2023* fiscal plan provides new, targeted supports for people hardest hit by increased costs.
- This includes over $3 billion in new tax credits and $1.3 billion in new spending measures to help families, renters, students, foster care families and those on income and disability assistance with costs.

KEY FACTS:

Inflation (data as of April 24, 2023)

- The BC Consumer Price Index (CPI) rose by 4.7 per cent on a year-over-year basis in March 2023, led by shelter (+5.3 per cent) and food (+7.8 per cent).
- Inflation in B.C. remains elevated but has eased since peaking at 8.1 per cent May 2022, partly due to lower gasoline prices.

- Consumer price inflation in B.C. is forecast to continue easing, with growth of 3.9 per cent in 2023, 2.5 per cent in 2024, 2.2 per cent in 2025, and then 2.0 per cent annually in 2026 and 2027.
- Many central banks have increased interest rates aggressively to tame inflation. The Bank of Canada raised the target for the overnight interest rate from 0.25 per cent in March 2022 to 4.50 per cent in January 2023. The Bank has held rates steady since then as it assesses the cumulative impacts of the rate increases.
- The impact of higher interest rates has been evident in housing markets. While B.C.'s economy is expected to slow this year in response to high interest rates, uncertainty remains over its transmission to other sectors of the economy (e.g., consumer spending, investment activity, and labour markets) in B.C. and B.C.'s trading partners.

Budget 2023 Measures

- Budget 2023 provides multiple supports to help reduce the burden of rising costs of living on families and individuals. Measures include:
    - Expansion of K-12 school food programs ($214 million over three years).
    - Delivering free prescription contraception's for all B.C. residents ($119 million over three years).

- Further enhancing supports for income and disability assistance clients ($558 million over three years).
- Improving access to post-secondary education by doubling student loan maximums from $110 to $220 per week for individuals and from $140 to $280 per week for students with dependents ($151 million over three years).
- Increasing financial supports for foster and extended family caregivers and for those caring for children, youth, and adults with support needs ($264 million over three years).
- Permanently enhancing the BC Family Benefit.
  - Effective July 1, 2023, BC Family Benefit amounts are permanently increased based on the number of children under age 18 in a family and an annual supplement of $500 will be provided to single parent families ($215 million over three years).
- Increasing the Climate Action Tax Credit to help offset the effects of carbon taxes paid by low- to moderate-income individuals and families (estimated at $2.077 billion over three years).
- Introducing a new income-tested Renter's Tax Credit. Eligible households that rent and occupy living accommodation in B.C. for at least six months in a calendar year will be able to claim a maximum amount of $400 per household ($939 million over three years).

MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

Table 1: New Budget 2023 Measures to Reduce Costs

($ millions)	2023/24	2024/25	2025/26	Total
New Spending Measures				
K-12 school food programs	59	78	77	214
Free prescription contraception	39	46	33	119
Increased supports for income and disability assistance clients	147	205	207	558
Student financial aid allowance increases[1]	36	57	59	151
Increased financial supports for foster families	88	88	88	264
Sub-total	**368**	**473**	**464**	**1,306**
Tax Measures				
Climate Action Tax Credit enhancements (starting July 2023)[2]	412	687	978	2,077
Renter's Tax Credit	307	313	319	939
BC Family Benefit enhancements	58	77	80	215
Sub-total	**777**	**1,077**	**1,377**	**3,231**
Total	**1,145**	**1,550**	**1,841**	**4,537**

Table may not sum due to rounding.

[1] Includes allocations funded from the Contingencies Vote.

[2] Figures include tax measures tabled with this budget (see table 2.1 in the Budget and Fiscal Plan) and assume that increased Carbon Tax revenues after 2023/24 will also be redispersed through increased Climate Action Tax Credit.

MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

Affordability Measures Implemented in 2022/23:

- Three BC Affordability Credits in October, January and April ($1.5 billion)
- Higher BC Family Benefit amounts for January, February and March ($100 million)
- A $100 credit for people's power bills ($320 million);
- ICBC rebates for drivers ($396 million);
- Enhanced School Affordability Fund to help parents and kids with back-to-school costs ($64 million);
- BC Ferries Fare Affordability ($500 million)
- Food Security Initiatives ($160 million)
- Public libraries ($45 million)
- Capping the allowable rental increases below inflation in 2023 at 2%

MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

QUESTIONS AND ANSWERS

ISSUE: Inflation and Affordability

Question: What is government doing to limit inflation?

Answer:

- Global inflation is being driven by factors such as rising energy prices, supply chain distributions, and tight labour market conditions, which the provincial government has limited ability to influence.
- While the federal government and the Bank of Canada have more tools to combat inflation directly, we will continue to do what we can to help with everyday costs. Since the summer of 2022, government has been delivering temporary cost-of-living supports that include BC Affordability tax credits, enhanced BC Family Benefit payments, ICBC rebates, a one-time power rebate, support with back-to-school expenses for K-12 families and capping rent increases below inflation at 2 per cent for 2023.
- Our government is continuing to support British Columbians by providing over $1.3 billion in new spending

measures to support reduced costs for people. This includes giving free prescription contraception for B.C. residents, expanding existing K-12 school food programs, and providing more financial supports for post-secondary students, people receiving income and disability assistance, and foster families and other caregivers.

- In addition to these measures, there is an estimated $3.2 billion for new and enhanced tax credits over the fiscal plan including increases to the Climate Action Tax Credit and BC Family Benefit, and for the new income-tested Renter's Tax Credit. Together, these measures will help to reduce costs for those most in need.

MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

Question: How is government addressing affordability issues?

Answer:

- As global inflation and higher prices stretch people's budgets, Budget 2023 helps reduce people's costs and offers extra support to those who need it most. Following almost $2.4 billion worth of temporary cost-of-living supports since summer 2022, the province will invest another $4.5 billion over the next three years in new spending measures and tax credits to help people with the effects of rising costs and establish stable, sustainable support. Other supports provided by government include $500 million to support BC Ferries Fare Affordability, $160 million in food security initiatives and $45 million in support for public libraries.
- Since the summer of 2022, government has been delivering temporary cost-of-living supports that include BC Affordability tax credits, enhanced BC Family Benefit payments, ICBC rebates, a one-time power rebate, support with back-to-school expenses for K-12 families and capping rent increases below inflation at 2 per cent for 2023.

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MINISTRY OF FINANCE
POLICY AND LEGISLATION DIVISION
ISSUE NOTE

- Our government is continuing to support British Columbians by providing over $1.3 billion in new spending measures to support reduced costs for people. This includes giving free prescription contraception for B.C. residents, expanding existing K-12 school food programs, and providing more financial supports for post-secondary students, people receiving income and disability assistance, and foster families and other caregivers.
- In addition to these measures, there is an estimated $3.2 billion for new and enhanced tax credits over the fiscal plan including increases to the Climate Action Tax Credit and BC Family Benefit, and for the new income-tested Renter's Tax Credit. Together, these measures will help to reduce costs for those most in need.

MINISTER OF FINANCE
PUBLIC SECTOR EMPLOYERS' COUNCIL SECRETARIAT
QUESTIONS AND ANSWERS

ISSUE: 2021/22 Executive Compensation Disclosure

ADVICE AND RECOMMENDED RESPONSE:

- This was the fifteenth year that the Ministry of Finance disclosed the total compensation paid to senior management employees working in the province's key decision-making positions across B.C.'s public sector. The annual disclosure reflects the compensation decisions made prior to March 31 for the fiscal year of 2021/22.
- Public sector executives lead in the innovation and delivery of services that support communities in every corner of the province as they help to deliver historic investments in health, housing, child care and infrastructure.
- Total compensation paid to executives at B.C. public sector organizations reflects their responsibilities in delivering on government's commitment to improving the public services we depend on, making life more affordable and building a strong, inclusive, sustainable economy for the people of this province.
- B.C. is a national leader in its reporting standards for executive compensation, which includes base pay,

pensions, benefits, merit-based pay or holdbacks, and an explanation of the compensation paid.

KEY FACTS:

- On August 30, 2022, as per the requirement under the *Public Sector Employers Act* (the Act), government disclosed the 2021/22 executive compensation for 65 of the provincial public sector's 125 employers, including the Public Service, Crown corporations, post-secondary institutions, research universities, and health authorities. The 60 K-12 school districts disclosed in December 2022 in keeping with that sector's June 30 fiscal year end.
- During the 2020/21 Public Accounts and in response to the pandemic, effective August 31, 2020, employers subject to the Act were directed to amend their compensation plans to indicate there would be no increases or adjustments paid to executive-level employees for that performance year.
- For the 2021/22 disclosure, to ensure clarity on the compliance with the direction that spanned over two years, depending on which year an organization implemented it, a note was required in the statement to identify if the position fell within the policy and if so, which year the performance increase was not provided for each disclosed executive.
- The policy specifically applied to the CEOs, Vice Presidents, and equivalent senior executive roles within the organization with an annualized salary of $125K or greater (including Deputy Ministers).

- In response to the pandemic, in the BC Public Service, the Deputy Ministers' Council had already voluntarily declined to receive compensation adjustments for the 2019/20 year.

BACKGROUND:

- The Province has continued to make significant improvements to the transparency and disclosure of financial and performance information.
- The reporting requirements are modeled on the Canadian Securities Administrators' requirements of publicly traded companies.
- In 2007/08, legislation was passed requiring the disclosure of compensation of public sector CEOs and the next four highest-ranking executives.
- B.C. is a national leader in best practices for standards of reporting that require annual public disclosures of total compensation for executives.
- The disclosure includes base pay, details about pensions and other benefits, and any holdbacks or bonuses, and – importantly – it also includes an explanation of the compensation paid to executives so the average person can understand what these employees are paid.
- Compensation focuses on performance, cost-consciousness, accountability, appropriate compensation, service, respect and integrity across public sector organizations.

- The disclosure is designed to provide accessible, understandable information to British Columbians on compensation paid by public sector employers.
- The Act requires that the boards must disclose and attest to the accuracy of the total compensation paid to the CEO and the next four highest-ranking/paid executives earning $125,000 or more in base salary. Government has a framework to provide parameters on CEO compensation, and all compensation plans must be approved by the Minister responsible.
- The PSEC Secretariat analyzes the data and coordinates the broad disclosure each year. Disclosure is timed to coincide with the Public Accounts, which is required under the *Financial Information Act* (the FIA). Executive compensation disclosure under the *Public Sector Employers Act* and the FIA each call for different information, which is summarized below:

Financial Information Act

- All employees, not just executives, earning over $75,000 in cash compensation.
- Based on T4 slip information – no details on holdback/bonuses, vacation payouts, retirement allowances, extended benefits or pension arrangements, includes local government.

Public Sector Employers Act

- CEO/President and top four executives (decision-makers) earning $125,000 or more in base salary.

- Total compensation - benefits, perquisites, allowances, pension, severances, salary continuance and any other payments, including the very few employers that still have holdback or merit-based pay.

QUESTIONS AND ANSWERS

ISSUE: 2021/22 Executive Compensation Disclosure

Question: Which employer was number one in the top 10 for 2021/22, and how much compensation was paid to that executive?

Answer:

- For the past several years, Powerex — a subsidiary of BC Hydro — has had the highest total compensation in the B.C. public sector at $935K. The base salary was unchanged from last fiscal at $358,800.
- This compensation was paid to the president and CEO of Powerex, Thomas Bechard.
- The same as the previous fiscal, he received a bonus of $540K as the managing director of trading (Head Trader), he has typically held the top spot in the B.C public sector.
- He remains the highest paid executive in British Columbia's public sector, as he fulfills the responsibilities of CEO and

Head Trader, which historically has been filled by two executives with an ongoing risk of being hired away by another employer due to his unique skillset.

Question: Are all the public sector employers who are required to disclose executive compensation in compliance with the province's compensation policies and the guidelines?

Answer:

- Yes. We received signed attestations from all board chairs verifying the accuracy of their disclosures.

Question: Have all the holdbacks been eliminated?

Answer:

- Effective October 1, 2018, the past practice of retaining a portion of an executive salary to be paid as an annual lump sum "holdback" was eliminated for BC Public Service executives, and the option to do so was extended to other public sector employers.

- For those employers who decided to eliminate their executive holdbacks, the average of what was paid as the holdback to each executive was added to the base salary.
- Of the 65 employers disclosed this past August, only two organizations opted to retain a holdback structure and merit-based pay: BC Hydro (Powerex/Powertech) and Royal Roads University, respectively.

Question: Were there any other notable changes in this disclosure?

Answer:

- Overall, the sum of all compensation paid for that fiscal year showed a 1.7 per cent increase in base salary and a 3.5 per cent increase in total compensation over the previous year's top 10 for all executives disclosed.
- The overall 3.5 per cent increase in total compensation was largely attributable to a significant increase in the category of "other" compensation, which included a number of one-time severance payments and a sizeable vacation payout for one retiring executive.

Answer:

- Managing the compensation paid in the public sector is essential to maintaining the fiscal plan.
- Our approach is to look at the big picture and make decisions that are affordable, ensure our services are sustainable, and are fair and reasonable.
- Public sector employers have a set of core principles and shared benchmarking tools to make good compensation decisions, as well as a pay philosophy that aligns the sector as a whole and doesn't create more competition because of big disparities.
- Annual executive compensation disclosure has been around for 15 years and is consistently the most transparent and comprehensive executive compensation disclosure of any jurisdiction in Canada, and possibly North America.
- This disclosure reflects the final year of an executive compensation freeze policy directed in August 2020, in which public sector employers did not provide

compensation increases to senior executive-level employees.

Question: Are there any organizations that provide public services that are out of scope under the *Public Sector Employers Act* to disclose annually?

Answer:

- Yes. Organizations that do not meet the definition of a public sector employer under the Act include: BC Investment Management Corporation (BCi), BC Pension Corporation, Translink, and the BC Ferry Corporation.
- The BC Ferry Corporation ensures that its executive remuneration is made public as required under the *Coastal Ferry Act*, and BCi includes disclosure of this compensation information as part of its Corporate Annual Report.
- BC Pension Corporation and Translink are required by the *Financial Information Act* to disclose their remuneration annually.

MINISTER OF FINANCE
PUBLIC SECTOR EMPLOYERS' COUNCIL SECRETARIAT
QUESTIONS AND ANSWERS

Question: Do you anticipate increasing compensation for executives?

Answer:

- The process for public sector employers to propose modest adjustments for both excluded and executive compensation was updated effective September 1, 2018.
- This direction provides for some modest, performance-based increases for executives – many of which require approval before they can be implemented.
- The policy specifically applies to the CEOs, Vice Presidents, and equivalent senior executive roles within the organization with an annualized salary of $125K or greater.
- Excluded management increases, and the decision for what 2023 increases has not yet been made.

Question: Does government set CEO salaries?

Answer:

- No, however, it does set a maximum limit for total compensation.
- Within the framework, boards of directors negotiate compensation plans to support service delivery balanced

with the need to allocate resources in the most efficient and effective way – subject to the most recent policies outlined in the Employers' Guide to Accountable Compensation.

- As the Minister responsible, I approve those arrangements under the provisions of the *Public Sector Employers Act*.

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

ISSUE: 2023-24 PROVINCIAL DEBT QUESTIONS AND ANSWERS

- *Budget 2023* forecasts total provincial debt to grow by $40.8 billion over the three-year fiscal plan period.
- This growth is mainly needed to fund operating deficits and capital investments over the plan period.

Advice/Recommentations

- The *Budget 2023* debt affordability metrics of taxpayer-supported debt to GDP and taxpayer-supported debt to revenue are better than those from the 2022 Budget.

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Division: Provincial Treasury

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

QUESTIONS AND ANSWERS

ISSUE: 2023-24 PROVINCIAL DEBT

Question: *Budget 2023* forecasts total provincial debt to grow by $40.8 billion over the fiscal plan period. What are the changes in total provincial debt by category?

Answer:

- Government requires increased borrowing to finance the operating and capital investment needs of the province.
- The taxpayer-supported debt is forecast at $99.4 billion by 2025/26, an increase of $35.7 billion from 2022/23.
- Self-supported debt is forecast at $34.4 billion over the same period, an increase of $4.6 billion from 2022/23.
- The forecast allowance falls from $700 million in 2023/24 to $500 million in each of 2024/25 and 2025/26.
- Government expects to borrow a total of $4.7 billion to finance the deficits resulting from important spending programs offered in support of British Columbians.

- A significant majority (88 per cent) of the debt growth is in relation to government's capital investments, with $36.1 billion forecast to fund taxpayer-supported infrastructure (much of this in the transportation sector), and $4.6 billion for self-supported investments, mainly in relation to improving and expanding BC Hydro's generation assets.

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

Question: How does *Budget 2023's* debt forecast impact the province's key debt affordability metrics?

Answer:

- Key debt affordability metrics are impacted by the higher debt forecast over the fiscal plan period.

Taxpayer-supported Debt to Revenue

- Taxpayer-supported debt-to-revenue grows from 78.7 per cent forecast for 2022/23 to 124.9 per cent by end of the fiscal plan period.
- Although the metric is in an upward trend, the forecast is an improvement in all fiscal years compared to *Budget 2022* due to the lower forecast debt balance forecast in 2022/23 resulting from improved operating results:

T-S DEBT AS A PERCENT OF REVENUE					
	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Budget 2023 **(FY22 actuals)**	90.8	78.7	100.1	114.8	124.9
Budget 2022 **(FY22 forecast)**	92.9	110.9	122.7	129.8	n/a

Contact: Jim Hopkins, ADM **Phone:** 250 387-9295
Division: Provincial Treasury

Improvement / (detriment)	2.1	32.2	22.6	15.0	

- The taxpayer-supported debt to GDP ratio is forecast to increase from 16.4 per cent in 2022/23 to 23.0 per cent at March 31, 2026. The ratio is marginally lower than *Budget 2022* track in all years due to improved 2022/23 ending debt balance, as follows:

T-S DEBT AS A PERCENT OF GDP					
	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**
***Budget 2023* (FY22 actuals)**	17.8	16.4	18.9	21.3	23.0
***Budget 2022* (FY22 forecast)**	17.8	20.0	21.8	22.8	n/a
Improvement / (detriment)	-	3.6	2.9	1.5	-

- Additionally, taxpayer-supported interest bite increases over the *Budget 2023* fiscal plan period, but is still lower than *Budget 2022* notwithstanding higher expected interest rates; the significant decline in taxpayer-supported debt in 2022/23 explains the favorable variance:

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

Interest bite Taxpayer-supported (cents per dollar of revenue)					
	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Budget 2023 (FY22 actuals)	2.8	2.4	2.9	3.5	3.9
Budget 2022 (FY22 forecast)	2.8	3.0	3.4	3.7	n/a
Improvement / (detriment)	-	0.6	0.5	0.2	

Sensitivities:

- The debt affordability metrics can be highly sensitive to changes in debt, revenue, and GDP. For example:
  - $100 million additional debt or capital spending results in:
    - + 0.13 to T-S Debt-to-Revenue
    - + 0.02 to T-S Debt-to-GDP
  - Additional debt required to change by 0.1%:
    - $76 million for T-S Debt-to-Revenue
    - $400 million for T-S Debt-to-GDP

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

Question: Budget 2023 forecasts lower taxpayer-supported debt service costs compared to *Budget 2022*. Why the decrease?

Answer:

- Improved operating results in 2022/23 resulted in significantly lower debt requirements over the year.
- This lower opening debt balance for fiscal 2023/24 reduces total debt levels for government across the fiscal plan period, resulting in lower interest costs.

Change in Debt Servicing Costs *Budget 2022* to *Budget 2023*
($ millions)

	2022/23	2023/24	2024/25	2025/26
Budget 2022	1,378	1,555	1,750	1,933
Budget 2023	1,268	1,309	1,593	1,865
Change	**(110)**	**(246)**	**(157)**	**(68)**

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Division: Provincial Treasury

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

Note to Minister – Details respecting the $246 million decrease in debt service expenses for fiscal 2023/24 is as follows:

- Decrease of $408 million in interest costs due to a lower borrowing requirement in FY23 that carried over to outer fiscal years
- Decrease of $49 million in a repricing adjustment from transferring existing debt to other entities

Offset by:

- Increase of $133 million in interest costs from the Central Deposit Program
- Increase of $54 million in short term and floating rate interest costs
- Increase of $23 million from lower discount amortizations
- Increase of $1 million in fiscal agency fees and bank charges due to higher bank fees

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

Question: What would be the impact of a 1 per cent change in interest rates on fiscal 2023/24 taxpayer-supported debt service expense?

Answer:

- Estimated full year impact on taxpayer-supported debt interest costs would be $187 million consisting of $62 million pertaining to debt held directly by the province, and $125 million pertaining to debt held by taxpayer-supported crowns and agencies.

Question: Does the province have any unhedged foreign exchange exposure? If yes, which currencies and how much? How will an increase in the Canadian dollar affect this exposure?

Answer:

- The province currently has foreign currency debt primarily in US dollars and Euros. However, it only has foreign currency liability exposure in US dollars as the other foreign currency debt has been hedged to Canadian dollars.

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

- Total US dollar denominated debt of the government and its Crown corporations is US $9.6 billion. Of this amount, US $9.4 billion is hedged through US dollar sinking funds or through currency forwards and swap contracts which have converted the liabilities into Canadian dollar obligations. The remaining unhedged US dollar exposure of $66 million (CAD $84 million equivalent) is held by BC Hydro, which is hedged naturally by Hydro's US dollar electricity export sales.
- An increase in the Canadian dollar will reduce the cost of obtaining US dollars to meet BC Hydro's small unhedged interest payments and maturity obligations.

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

Question: How does government expect taxpayer-supported debt-to-GDP to trend over the duration of the fiscal plan?

Answer:

($ millions)	2021/22 *Actual*	2022/23 Forecast	2023/24 *Estimate*	2024/25 *Estimate*	2025/26 *Estimate*
Taxpayer-supported debt	$62,341	$63,701	$75,617	$88,436	$99,395
Taxpayer-supported debt-to-GDP	17.8%	16.4%	18.9%	21.3%	23.0%

- Taxpayer-supported debt is forecast to increase from $63.7 billion in 2022/23 to $99.4 billion in 2025/26. The increase over the fiscal plan reflects the operating deficits as well as record-level capital spending.
- According to Moody's Investors Services, B.C. has one of the lowest debt-to-GDP ratios among the provinces.
- The taxpayer-supported debt-to-GDP ratio is forecast to be 16.4 per cent in 2022/23 and 23.0 per cent in 2025/26.

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

Question: What is the per capita debt in British Columbia?

Answer:

($ millions)	2021/22 *Actuals*	2022/23 *Forecast*	2023/24 *Estimate*	2024/25 *Estimate*	2025/26 *Estimate*
Taxpayer-supported debt-per-capita	$11,983	$11,975	$13,878	$15,929	$17,600
Total provincial debt-per-capita	$17,428	$17,575	$19,807	$22,083	$23,781

Taxpayer-supported debt-per-capital is forecast to be $11.9 billion in 2022/23 and $17.6 billion in 2025/26. Total provincial debt-per-capita is forecast to be 17.6 billion in 2022/23 and $23.8 billion in 2025/26.

Advice/Recommentations

Contact: Jim Hopkins, ADM **Phone:** 250 387-9295
Division: Provincial Treasury **Page:** 12 of 12
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MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

ISSUE: Credit Rating Status and Debt Servicing Cost Savings

ADVICE AND RECOMMENDED RESPONSE:

- British Columbia has the highest credit ratings among the provinces and is currently the only province rated Aaa by Moody's.
- Following Budget 2023, Moody's (Aaa) and DBRS Morningstar (AA high) each published a brief commentary on the budget. As expected, similar commentaries were not published from either Standard & Poor's (AA) or Fitch (AA+).
- During the week of March 13th, in-depth technical briefings between senior Finance staff, Ministry executives and senior analysts from each credit rating agency took place. Within a few weeks following these briefings, each rating agency will publish a detailed credit report, stating an affirmation of, or change to, British Columbia's credit rating and/or outlook.
- The strong credit ratings translate into lower debt service costs which currently enable the province to invest about

$3.25 billion more in programs and services on which British Columbians rely.

KEY FACTS:

- British Columbia has a credit rating from each of the following four agencies:
    - Moody's: Aaa with a stable outlook – Affirmed May 2022
    - Fitch: AA+ with a stable outlook – Affirmed April 2023
    - DBRS: AA (high) with a stable outlook – Affirmed June 2022
    - S&P: AA with a negative outlook – April 2023
- The province is the highest-rated province in Canada due to its strong balance sheet and the depth and diversity of its economy.
- A high credit rating enables the province to borrow in the capital markets at a lower cost when compared to similar governments with a lower credit rating. During periods of turbulence in the capital markets, investors will often seek higher rated, less risky investments (flight to quality).
- Currently, B.C. is the only province rated Aaa with Moody's. Maintaining disciplined fiscal management, and affordable debt-to-GDP, debt-to-revenue and interest bite ratios are key to B.C.'s strong credit rating; interest bite ratio refers to taxpayer-supported debt service costs as a percentage of taxpayer-supported revenue.

Moody's:

- On March 1, 2023, Moody's published an Issuer Comment on Budget 2023, stating: "While the forecast of a return to modest deficits is a credit negative, we note that the budget contains significant contingencies to the projections in excess of the annual deficits, which is in line with British Columbia's cautious fiscal management. As such, we view the budget plan as well protected against expected fiscal and economic headwinds, and more likely to be surpassed." Moody's continued to note that Budget 2023 lowered the province's debt burden: "... debt requirements are lower; our current forecast of net direct and indirect debt in 2023-24 is approximately CAD 8 billion lower (roughly 10%) than our previous forecast. The province's debt burden is therefore unlikely to reach our previous forecasts, even with the province's planned path of continued deficits."
- On May 12, 2022, Moody's published a "Credit Opinion" on the Province of British Columbia. Credit strengths included: "a resilient economy with sector diversity and important natural resources, which will support strong economic performance in 2022 and 2023. The province benefits from a high degree of fiscal flexibility including control over revenues and expenses, as well as solid liquidity balances which provide some cushion against economic and fiscal pressures..." The province could see a downgrade if "...unable to meaningfully improve its fiscal trajectory over the next 18-24 months, coinciding with a deterioration in the debt burden

above 130% on a sustained basis. A material weakening in the province's liquidity profile or a material weakening in BC Hydro's financial metrics could also add pressure..."

S&P:

- On April 18, 2023, S&P published their credit report which downgraded the Province's credit rating from AA+ to AA and also revised the outlook from 'Stable' to 'Negative'. Within the report, S&P stated, "The Province of British Columbia's (B.C.) 2023 budget outlines an extensive investment plan for operations and record levels of capital spending, which will reverse the fiscal gains made in the past two years and result in the return of operating deficits, larger after-capital deficits, and a relatively steep increase in debt through to fiscal 2026." Advice/Recommentations in S&P's opinion, "A reversal of the current fiscal trajectory as evidenced by a return to operating surpluses and modest after-capital deficits of about 5% of total revenue, a slowing growth trend in the province's tax-supported debt burden, and improving liquidity metrics of more than 40% of next 12 months' debt service in the next two years, could lead to us to revise our outlook to stable."
- On December 19, 2022, S&P published a report on the Province of British Columbia in which they stated, "We believe fiscal 2022-2023 budgetary results may be notably stronger than we expected at budget time. Recently released second-quarter results indicate another year of strong revenue growth. After-capital deficits could improve dramatically and significantly outperform our expectations.

Economic challenges are increasing, however, Advice/Recommentations S&P further stated, "We could revise the outlook to negative or lower the ratings in the next two years if a resumption of weakening economic conditions or poor fiscal policy choices result in the derailment of the province's fiscal recovery, as reflected by the continuation of after-capital deficits greater than 10% of total revenues and steady material increases in the tax-supported debt burden."

Fitch:

- On April 4, 2023, Fitch published their credit report on the Province and affirmed the AA+ credit rating with 'stable' outlook. They state, "The affirmation reflects Fitch's expectation that, despite near-term macroeconomic risks, economic fiscal performance in British Columbia will remain solid over the longer term." Further, "Despite risks, the current budget for fiscal 2024 (which began on April 1) is cushioned by conservative consumptions and sizable contingencies."

- On April 29, 2022, Fitch issued a press release affirming BC's AA+ rating and stable outlook. As part of its commentary, Fitch states, "The affirmation reflects Fitch's expectation that economic and fiscal performance in British Columbia will remain solid over the near term as the recovery from the pandemic continues, narrowing projected deficits and borrowing needs relative to its current projections."

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DBRS:

- On March 2, 2023, DBRS published a commentary on Budget 2023, stating: "The budget plans for increased spending in priority areas, continued deficits, and rising debt amid a macroeconomic slowdown, resulting in reduced flexibility over the years to come. However, the Province's prudent fiscal approach, consistent track record of outperformance, strong balance sheet, and currently low debt burden will lend stability to its credit profile."

BACKGROUND:

- A credit rating is an evaluation of a borrower's ability to pay interest and to repay principal. A credit rating affects the borrower's debt servicing costs and the investor's rate of return since an investor will demand a higher interest rate on a more risky, lower-rated security.
- The provincial credit rating is determined by independent credit rating agencies.

Taxpayer-supported debt:

- Taxpayer-supported debt is an indicator often used by investors and credit rating agencies when analysing a province's investment quality. The ratio of a province's taxpayer-supported debt relative to its gross domestic product highlights the ability of a province to manage its debt load. British Columbia's taxpayer-supported debt burden is one of the lowest in Canada, and this translates into a strong credit rating and lower debt service costs.

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Interest rates and debt charges:

- Assuming the province's headline, an approximate $19 billion requirement in 2023/24 is financed by 75 per cent fixed term bonds, and half of that in the 10-year term and half in the 30-year term, BC's funding rate advantage indicatively saves over $39 million over the life of the financings (75 per cent of $19 billion, or $14.25 billion, done in bonds which are split between 10-year and 30-year at the above indicated savings, respectively implies $17.8125 million plus $21.375 million).

Government Financial Information

MINISTRY OF FINANCE
PROVINCIAL TREASURY
ISSUE NOTE

Government Financial Information

Contact: Jim Hopkins, ADM **Phone:** 250 387-9295
Division: Provincial Treasury

MINISTRY OF FINANCE
TREASURY BOARD STAFF
ISSUE NOTE

ISSUE: Royal BC Museum

ADVICE AND RECOMMENDED RESPONSE:

- The construction contract for the Royal BC Museum's Collections and Research Building was awarded in February and construction begins this year in Colwood.
- It will house the museum's archives, collections and research departments with areas for public access and digital access.
- The redevelopment of the museum's downtown location is not included in *Budget 2023* as public engagement to inform the project is underway.
- Further consultations will connect with the broadest range of British Columbians, continuing into next year, to shape the future of the museum for all British Columbians. The details of a future project and potential future costs will depend on the outcome of the public consultation.

KEY FACTS:

Collections and Research Building

- *Budget 2023* reports $21 million spent on the museum's Collections and Research Building to the third quarter of 2022/23, including the purchase of the Colwood site.

Contact: Tiffany Ma **Phone:** 250-387-6282
Division: Treasury Board Staff

File Name: 16_MO_TBS_Royal BC Museum

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- The *Budget 2023* appropriation for the capital expenditure of the Royal BC Museum is $78.758 million in 2023/24 on the Collections and Research Building project.
- Royal BC Museum's three-year capital expenditure is included in the $326 million "Other" capital expenditure category in the budget document (comprised of the museum, courts, correctional centres, and other ministry capital projects).

Advice/Recommentations; Cabinet Confidences

Downtown Museum Redevelopment

Advice/Recommentations

- The Minister of Tourism, Arts, Culture and Sport is responsible for the museum's public engagement.

MINISTRY OF FINANCE
TREASURY BOARD STAFF
ISSUE NOTE

QUESTIONS AND ANSWERS

ISSUE: Royal BC Museum

Advice/Recommentations

Contact: Tiffany Ma
Division: Treasury Board Staff
File Name: 16_MO_TBS_Royal BC Museum

Phone: 250-387-6282

MINISTRY OF FINANCE
TREASURY BOARD STAFF
ISSUE NOTE

ISSUE: Cowichan District Hospital

ADVICE AND RECOMMENDED RESPONSE:

- Questions regarding the hospital project are best answered by the Minister of Health.

KEY FACTS:

- The main drivers of the cost increase are challenges within the construction market, which has affected capital projects across all sectors of the economy.
- The construction market has been impacted by labour shortages, material cost inflation and supply chain disruption, all of which have contributed to increased construction costs.
- Of the $558 million cost increase, increased Community Benefits Agreement (CBA) costs are estimated to account for approximately $6 million, less than a half percent of the total project cost. A precise figure for CBA costs will be known when important construction milestones have been reached.
- The current project cost is $1.446 billion, compared to an estimated project cost of $887 million when the business case was approved in April 2020.
- CBA is not a major driver of project cost and is estimated to add 1-4% to total project costs.

Contact: Tiffany Ma **Phone:** 250-387-6282

- Of the $558 million cost increase, an estimated $6 million is due to increased CBA costs; Advice/Recommentations

Advice/Recommentations

Indigenous Contracting Opportunities

- Engagement began early with Indigenous communities in the area of the new hospital, with a focus on hospital design and service delivery to ensure culturally safe care.
- Government has been discussing potential economic opportunities with the Cowichan Tribes, including opportunities on this project that are aligned with the CBA.
- In December 2022, the Khowutzun Development Corp. (KDC) halted construction with a small protest blocking access to the site. This lasted for two weeks before the Cowichan Tribes asked KDC to remove their presence while discussions on economic benefit to the first nations could continue.
- A subcontractor requested an exemption from the requirement that workers unionize to work on a CBA project.
- In February 2023, BD Hall (a subcontractor on the project) executed a contract for trucking services with KDC. The Allied Infrastructure and Related Construction Council and BC Infrastructure Benefits have agreed the work can proceed.

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BACKGROUND:

Community Benefits Agreement

- The CBA is a collectively bargained agreement between BC Infrastructure Benefits (BCIB) and the Allied Infrastructure and Related Construction Council (AIRCC), an organization comprised of 19 trades unions. Neither the Province nor BCIB can unilaterally change the CBA.
- The intent of the CBA is to diversify B.C.'s workforce by hiring and re-hiring local and underrepresented workers such as Indigenous people and women.
- The CBA is creating opportunities for Indigenous skilled workers to have a lifelong career in the skilled trades.

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ISSUE NOTE

ISSUE: BCIB and Community Benefits Agreement

ADVICE AND RECOMMENDED RESPONSE:

- BC Infrastructure Benefits (BCIB) is a provider of skilled trades workforce. Like many government organizations, BCIB has a collective agreement.
- The Community Benefits Agreement (CBA) is a commitment by the Province and 19 Affiliated Unions to grow and diversify BC's skilled construction trades and change the culture to attract and retain underrepresented workers.
- BCIB uses Priority Hiring—CBA Article 9.1—so Indigenous skilled workers, women, locals and underrepresented workers are hired first.
    - BCIB employs twice the provinical average of tradeswomen on the tools – across projects, 10% of BCIB workers have been women while the BC average has fallen to 4.5%.
    - BCIB employs about three times more Indigenous workers than the provincial industry average –15% of BCIB workers have been Indigenous, while the provincial average is below 5%.

Contact: Suzannah Kelly
Division: BC Infrastructure Benefits Inc.
File Name: 25_MO_TBS - BCIB and CBA key messages
Phone: 236-788-2089

  - 79% of BCIB positions have been filled by a priority candidate, including apprentices, women, Indigenous and racialized workers, and others.
  - 91% of BCIB skilled trades jobs have gone to British Columbians.
- Across all CBA projects, BCIB has filled close to 3000 contractor requests for skilled workers and currently employs about 1000 skilled workers (as of February 2023.)
- BCIB works closely with communities to attract and hire locals, Indigenous workers, and women.
- Applying this collective agreement costs between 1% - 4% of a project's total budget. This is based on actual data from projects.
- Companies don't need to be unionized to bid or work on CBA projects. In fact, more than 60% of the contractors on CBA projects are NOT affiliated with the BC Building Trades unions.
- Companies working on CBA projects are protected from unwanted union certification attemptswhile on the project and in the future. Article 5 in the CBA prevents union raids, so CBA projects are open to any contractor in the industry.
- Contracts are awarded by the Prime Contractor.
- Under the CBA, BCIB is the employer of the workforce and a skilled trades supplier to projects. BCIB uses Priority Hiring so Indigenous

skilled workers, women, locals and underrepresented workers are hired first on a CBA project.

- Across all CBA projects, BCIB has filled close to 3000 contractor requests for skilled workers and currently employs about 1000 skilled workers (as of February 2023.)
- BCIB works closely with communities to attract and hire locals, Indigenous workers, and women.
- BCIB workers join their Affiliated Union within 30 days, so they can benefit from the collective agreement, receive equal pay for equal work and get pensions, extended health care, mental health and addictions supports and more.
- There are specific instances in which a contractor can apply for a permit to hire workers directly outside of the CBA. These workers do not become BCIB employees. These permitting provisions can be found in Article 8 of the CBA.
- The Affiliated Unions approve permits for work that is short term, temporary, requires specialized trades or is of an emergency nature.

BACKGROUND:

- In Fiscal 2021/22, BCIB employed double the provincial average for both Indigenous workers and women. 71% of workers were local hires (living within 100km of the jobsite) and 91% were BC residents.

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- Through the life of all projects, to the end of Q3 in FY 2022/2023, BCIB has filled 2,464 positions (including rehires).
- During FY 2022/23, up to the end of Q3, BCIB employed almost 1,800 (1,749) skilled tradespeople (including rehires). They worked more than a total of 1,300,000 hours (1,318,774).
- There are 13 approved CBA projects under construction or in development:
  - BC Institute of Technology Trades & Technology Complex
  - The Broadway Subway Project
  - The Cowichan District Hospital Replacement Project
  - The Pattullo Bridge Replacement
  - Surrey Langley SkyTrain Project
  - Trans-Canada Highway 1 Four-Laning Program
    - Chase Creek Road to Chase West Government Financial Information Government Financial Information
    - Chase West to Chase Creek Bridge (Chase East)
    - Ford Road to Tappen Valley Road
    - Kicking Horse Canyon Phase 4
    - Salmon Arm West – 1st Avenue SW to 10th Avenue SW Government Financial Government Financial Information
    - Salmon Arm West – 10th Avenue SW to 10th Street SW
    - Quartz Creek Bridge
    - RW Bruhn Bridge and Approaches

- One CBA project has been completed:
  - Illecillewaet Brake Check
- The timing for hiring skilled tradespeople is dependent on projects' construction schedules and scope.
- Questions on the delivery of any specific projects should be directed to the ministry responsible for those projects.

CBA INVESTMENT COSTS:

- We now know the CBA costs between 1% - 4% of a project's total budget. This is based on actual results on completed CBA projects.
- This CBA investment provides for BCIB's operating budget, which is funded through a service fee for project owners. BCIB costs are not passed on to contractors, and BCIB's payroll invoices are a straight pass through with no mark up. BCIB's operational costs provide for:
  - Recruiting local and underrepresented workers.
  - Working with partners to connect applicants to training and upskilling so they become the future skilled workforce for this province.
  - BCIB representatives to support employees on the jobsite.
  - The delivery of BCIB's Respectful Onsite Initiative (ROI) to help improve onsite culture.
  - HR services, support, payroll, and performance management for CBA workers.

MINISTRY OF FINANCE
TREASURY BOARD STAFF
ISSUE NOTE

ISSUE: Economic and Fiscal Forecast

ADVICE AND RECOMMENDED RESPONSE:

- The Ministry of Finance uses robust forecasting models and methodologies to prepare the budget based on the best evidence, information, and data available at the time.
- The Ministry has mature forecasting practices that are tested and based on the expertise and judgement of professional staff.
- In relatively stable economic times, forecasting results are closer to the actual results; however, when there are significant economic shocks (positive or negative), the forecast is subject to higher variance.
- We saw this variability over the last few years due to the pandemic, similar to other jurisdictions in Canada and around the world.
- Government continues to use responsible budgeting with a reasonable amount of prudence, which helps the Province to achieve or exceed its budget targets and maintain a strong fiscal position.

Contact: Tiffany Ma **Phone:** 250-387-6282
Division: Treasury Board Staff

File Name: 26_MO_TBS_Economic and Fiscal Forecast

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MINISTRY OF FINANCE
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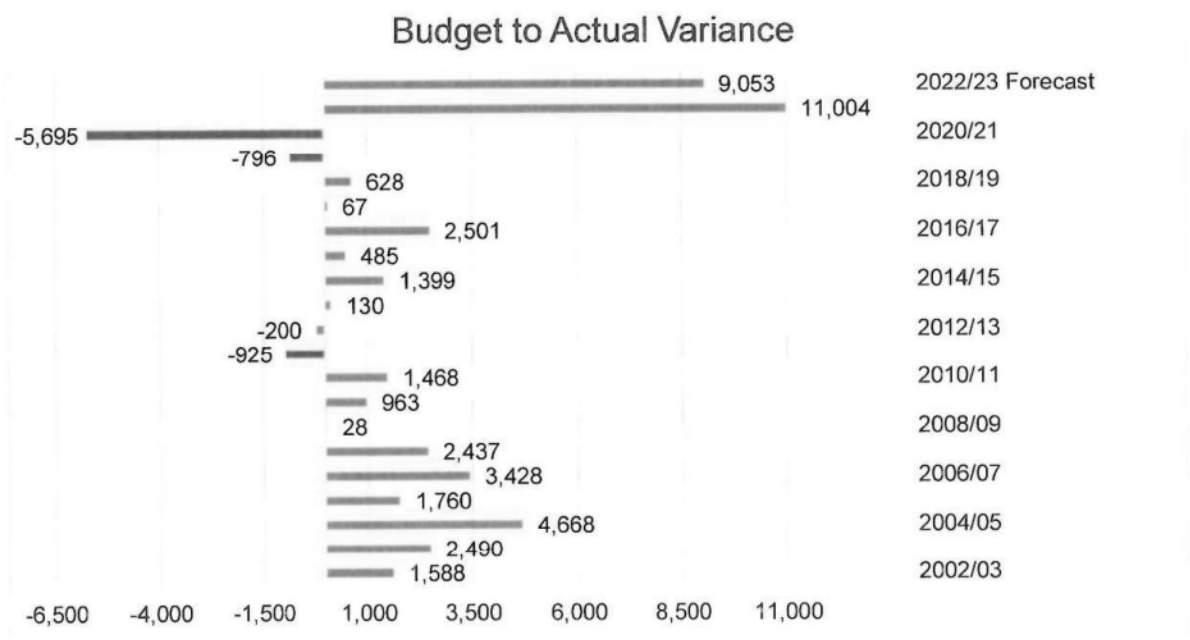
KEY FACTS:

- Over the past 20 years, the variance between the Ministry's economic and fiscal forecast as presented each budget compared to actual results has been the most significant in the last three year due to the pandemic.
- The 2020/21 year required significant new government spending to support people and businesses at the outset of the pandemic.
- The improved fiscal results for 2021/22 and latest forecast for 2022/23 is largely due to better-than-expected 2021 personal and corporate income tax results that were not known until July of 2022.

Chart 1: Budget to Actual Variance over the Last 20 Years



Contact: Tiffany Ma **Phone:** 250-387-6282
Division: Treasury Board Staff

File Name: 26_MO_TBS_Economic and Fiscal Forecast

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MINISTRY OF FINANCE
TREASURY BOARD STAFF
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BACKGROUND:

Economic forecasting

- The Ministry of Finance has a team of economists that apply their expertise and judgment in managing the Ministry's internal macroeconomic model.
- The macroeconomic model is used to forecast economic growth and performance five years into the future based on:
    - Past and current performance of the BC economy
    - External factors such as foreign economic growth (where prudence is explicitly incorporated), interest rates, exchange rates, commodity prices and migration
- The Minister of Finance also meets with the Economic Forecast Council which provides policy advice and private sector economic forecasts prior to budget.
- The Ministry of Finance real GDP forecast is in line with the average private sector forecasts, with a small amount of prudence in the near-term.

Revenue forecasting

- Revenue forecasting is dependent on a number of external data sources including new information from the federal government, crown agencies, the SUCH sector and ministries, which are all consolidated by TBS.

- for each of its government's main revenue streams, including:
  - **Taxation:** based on components of the economic forecast model including nominal GDP growth, wages and salaries, corporate profits, consumer spending and housing sales
  - **Natural resources:** based on private sector and natural resource ministry forecasts for commodity prices and volumes, such as natural gas, lumber and minerals
  - **Federal contributions:** based on Canada Health Transfer and Canada Social Transfer formulae, Disaster Financial Assistance Agreement, and other agreements (e.g. child care)
  - **Commercial Crown corporations:** provided by the corporations on a quarterly basis, as approved by their Board of Directors
  - **Other revenue components:** includes SUCH sector, ministry and taxpayer-supported crown forecasts

MINISTRY OF FINANCE
TREASURY BOARD STAFF
ISSUE NOTE

QUESTIONS AND ANSWERS

ISSUE: Economic and Fiscal Forecast

Advice/Recommentations

Answer: Government budgets and forecasts are based on available evidence, information and data at the time. These are regularly updated and reflected in quarterly reports as new information becomes available. When there are significant economic shocks – such as the onset of the pandemic and related economic recovery – there is more variability in the forecast. This was not unique to B.C. – most jurisdictions across Canada and around the world experienced similar challenges in their budget forecasts. Private sector forecasters also faced similar challenges in developing their economic projections.

Advice/Recommentations

Answer: Forecasts are based on the best evidence, information and data we have at the time. The economic forecast is comparable to the private sector outlook.

MINISTRY OF FINANCE
TREASURY BOARD STAFF
ISSUE NOTE

Government continues to use responsible and prudent budgeting – a long-standing practice for the past few decades – which helps the Province to achieve or exceed its budget targets and maintain a strong fiscal position. The significant revenue improvements that we saw last year was largely due to better-than-expected personal and corporate income tax results in 2021 that is expected to be one-time in nature. While Budget 2023 projects a deficit for this year, we will continue to update our forecast based on the most up-to-date information which will be shared during the usual quarterly reporting process.

Advice/Recommentations

Answer: Contingencies is one of the tools that help us manage risks to the budget. Amid global challenges, and with an economic slowdown forecast, we need to continue to be thoughtful about these risks and potential spending needs to support British Columbians. The majority of Contingencies has been set aside to support specific programs, including Pandemic Recovery; the wage mandate; and the climate and emergency response.

Contact: Tiffany Ma
Division: Treasury Board Staff
File Name: 26_MO_TBS_Economic and Fiscal Forecast
Phone: 250-387-6282

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MINISTRY OF FINANCE
BRITISH COLUMBIA ASSESSMENT AUTHORITY
ORGANIZATION OVERVIEW

NAME: British Columbia Assessment Authority

BACKGROUND:

- The BC Assessment Authority is a service delivery Crown corporation responsible for establishing and maintaining uniform real property assessments throughout British Columbia in accordance with the *Assessment Act*.
- **Statutory Authority:** *Assessment Authority Act*

  The *Assessment Authority Act* establishes BC Assessment as an independent body, independent of property taxation or provincial and municipal political influence. In addition, this Act sets out the corporation's mandate to establish and maintain assessments that are uniform in the whole of the province in accordance with the *Assessment Act*. The Act also establishes the powers and duties of the Board of Directors, and the corporation's financing.
- **Governing Legislation:** *Assessment Act*

  The *Assessment Act* establishes a uniform, stable and equitable annual assessment roll as the primary requirement and product deliverable of the corporation, as well as the valuation and classification rules used to establish it. All properties must be assessed in accordance with the rules and regulations set out under this Act. This Act also allows for the establishment of the property assessment appeal process.
- **Appointment Process:** Order in Council
- **Website:** www.bcassessment.ca

Contact: Renée Mounteney **Phone:** 778 974-5354
Division: Policy and Legislation Division

2023/24 Estimates Note
Advice to the Minister

Ministry: Forests
Minister Responsible: Bruce Ralston

Title: **Blueberry River First Nations and Other Treaty 8 Agreements**

Revised: March 5, 2023

Issue: Implementing the Blueberry River First Nations (BRFN) Implementation Agreement and the Treaty 8 Consensus Document agreements

Response:

- The Ministry of Forests is committed to implementing the recently signed agreements with Treaty 8 First Nations, including the historic Blueberry River First Nations Implementation Agreement.
- These agreements are designed to address the cumulative impacts of industrial activity, which have negatively impacted their treaty rights, and specifically in Blueberry River's case, infringed on their Treaty rights.
- These agreements include changes to how and where resources are developed, and the details of these directions will be developed through collaborative planning with the Treaty 8 First Nations.
- Change can be challenging, and uncomfortable. I recognize we all, and especially residents in the Northeast, are facing change.
- We must insist on dialogue that is respectful for everyone. We must focus on our shared interests and what brings us together. We all care about the land, and to uphold our promise as treaty people – we are all treaty people.

If asked about the forestry sector:

- The Ministry of Forests is committed to working with the forest sector, First Nations, and local governments to reimagine a forest sector in the Northeast that is sustainable and meets the commitments in these agreements.

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

- I acknowledge that there will be change. Developing a new path for the forest sector in the Northeast will take time.
- The Ministry of Forests believes strongly that a forest sector that collaborates with First Nations and addresses Treaty rights will build a successful future.

If asked about permitting:

- I acknowledge there are existing applications for access to natural resources that Ministry of Forests will need to address collaboratively with Treaty 8 First Nations. I expect the processes outlined in the agreement will enable greater predictability into the future.
- Ministry of Forests is committed to collaborating with First Nations to build a working relationship and process that produces environmentally responsible and durable decisions in a predictable manner. It will take time to build this future state. That said, we are ahead of where we would be if we had litigated, and that is why this government is committed to collaboration not litigation.
- Focusing on a collaborative approach has resulted in an agreement with the Blueberry River First Nations supporting the Province's issuance of 340 forestry authorizations, which will support the forest sector in the Peace region in the near term.

***If asked about public engagement*:**

- Agreements have been and will continue to be posted publicly once their signatories are ready, similar to any government-to-government agreement.
- The cross-government teams responsible for implementation are engaging local governments and stakeholders as part of the work.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

Background/Status:

- Four Treaty 8 First Nations have signed Letters of Agreement (Saulteau, Halfway River, Doig River and Fort Nelson) that are based on a co-developed "Consensus Document" which is a framework document addressing initiatives needed to better protect treaty rights and support responsible development.
- Agreement negotiations continue with three Treaty 8 Nations: West Moberly, Prophet River, and McLeod Lake. The Ministry of Indigenous Relations and Reconciliation (MIRR) anticipates negotiations may conclude by late March/early April.

Fiscal components of the agreements (with accountable ministry noted in parentheses):

- **BRFN restoration fund** ("Blueberry River Restoration Society"): Governm ent commitment by June 30, 2025 (Water, Land and Resource Stewardship (WLRS)).
- **Treaty 8 restoration fund**: Government Financial commitment by 2031 (WLRS).
- **BRFN capacity funding**: Government Financial Information: for various components (MIRR).
- **Treaty 8 Nation capacity funding** (each) including FY22/23: Governmen t years generally and shared Government Financial for stewardship, cumulative effects assessment and management, and land use planning activities (MIRR and WLRS).
- **Wildlife management**: All Treaty 8 Nations (including BRFN) shared: Government Financial years, Govern specific this FY (WLRS and Ministry of Forests).
- **Water quantity management**: BRFN/B.C. only: Up to Government Financial Information: specific to this FY (WLRS).
- **Incentive payments** for rapid development and restoration planning: BRFN - up to Gover nment by 2025; Treaty 8 shared - up to Gover nment by 2025 (MIRR and Ministry of Energy, Mines and Low Carbon Innovation (EMLI)).
- **Honouring the Treaty action plans**: BRFN - Governm ent Treaty 8 shared - Governme (MIRR).
- **Revenue sharing** based on model for 10% of petroleum and natural gas (PNG) revenues: BRFN - Government Financial Information; Intergovernmental Communications can increase based on PNG activity generating royalties, Govern min. specific to this FY; Treaty 8 – over Government Financial expected, will vary based on PNG activity generating royalties, with minimum contributions set by each First Nation (MIRR). ***No revenue sharing for timber harvesting.***

Forestry:

- The land protection and management measures negotiated in the Blueberry River First Nations Implementation Agreement and the Treaty 8 Consensus Agreement will have a significant downward pressure on available timber supply within the Peace District.
- The forest sector is a major employer in Northeast region. It is estimated to support approximately 7,700 direct, indirect, and induced jobs, which is

approximately 20% of the Northeast workforce (COFI 2019).

- The current total allowable annual cut for the Peace District is set at 4.846 million cubic meters per year.
- There are currently six primary timber processing facilities within the Peace District, which also support three smaller secondary facilities. The primary facilities are: Canfor Fort St. John sawmill; Canfor Chetwynd sawmill; Canfor Taylor Pulp; West Fraser Chetwynd Forest Industries sawmill; Louisiana Pacific Canada Ltd. Fort St. John Peace Valley Oriented Strand Board facility; and Louisiana Pacific Ltd. Dawson Creek siding facility.
- Combined, these facilities are estimated to directly employ approximately 1,060 people and utilize approximately 4.7million cubic meters of fibre annually.
- Canfor has recently announced the permanent closure of its Chetwynd sawmill and has indicated that it has no intention of re-opening their Taylor Pulp mill which has been curtailed since early 2022.

Permitting:

- Non-forestry decisions are diverse, ranging from wind power projects, to cattle ranching, to recreational cabins, and repairing in-stream bridge supports.
    - This includes authorizations made under authorities in the *Land Act, Water Sustainability Act, Range Act, Wildlife Act,* and *Mines Act.*
- Ministry of Forests, collaboratively with the other natural resource agencies, are working to develop a consultation process with the Blueberry River First Nations (BRFN) and other Treaty 8 First Nations.
    - Priority has been placed on guiding operational decisions with BRFN that are outside of the PNG and restoration areas which have specific processes outlined in the agreement.
    - Processes with other Treaty 8 First Nations will be developed with the support of a common technical table that will enable all Consensus Document signatory First Nations to discuss new approaches to consultation collectively. Advice/Recommen tations
        - From this collective discussion new consultation processes will be formed with each Treaty 8 First Nation in bilateral arrangements.
- The BRFN agreement includes a defined process for a large number of existing Ministry of Forests authorizations, and approval of 340 forestry decisions (schedule K of the agreement). Advice/Recom mentations
    - Schedule O (non-forestry) of the agreement includes 256 authorizations which will proceed via an expedited review process.
    - There are 240 other non-forestry authorizations not part of Schedule O that will proceed through the consultation processes noted above.

Contact:

Mike Hykaway	ADM	North Area Regional Operations	250-893-7516

2023/24 Estimates Note Template
Advice to the Minister

Ministry: Forests
Minister Responsible: Bruce Ralston

Title: Yahey Decision and Peace Region Moose Hunts

Revised: March 6, 2023

Issue: Yahey Decision and Peace Region Moose Hunts

Response:

- The Province has a duty to live up to its treaty obligations. Honouring this duty can also help create a pathway to improving wildlife management and establish certainty for the benefit of all British Columbians.
- The Province implemented a suite of hunting regulations and management actions towards meeting the Crown's obligations coming out of the Yahey vs. B.C. decision.
- These hunting regulations are aimed at addressing the ability of Treaty 8 First Nations to continue their way of life and begin to address the impacts of industrial development on the rights guaranteed in this Treaty.
- We are in year two of interim hunting regulation changes to address these obligations and they will be reviewed after this year as part of the next regular hunting regulation cycle.
- Broader opportunities for dialogue with Treaty 8 communities, industry, stakeholders, local governments, and the public will support this work, and ensure a collaborative path going forward.

If asked about compensation for closed hunts

- The Province is under no legal obligation to provide compensation for lost hunting opportunity as a result of a regulation.
- That said, my staff are working closely with affected guides, on how best to assist those impacted by the decision. That work is still underway.

2023/24 Estimates Note Template
Advice to the Minister

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

Background/Status:

- The current interim hunting regulation in the Peace Region is a measure addressing the infringement of treaty rights by reducing hunting pressure and investing in inclusive wildlife co-management.
- The final changes, which seek to create space for improved dialogue and negotiation on the future of hunting in the Northeast, included;
    - Full closure of caribou hunting as precautionary measure,
    - A 50% reduction in harvest of moose and a 50% reduction in hunters to support First Nations in practicing their way of life and achieving their sustenance needs and,
    - Moose hunting was changed from General Open Season (GOS) to the more restrictive Limited Entry Hunting (LEH) in two of the region's four game management zones and hunting seasons were closed in specific areas of most concern to First Nations.
- Then Minister Conroy approved an allocation split of the available moose harvest for licensed hunters at a ratio of 90% for residents and 10% for guide outfitters.
- First Nations were involved in the regulation changes for moose and caribou.
- Results of the regulatory change has led to increased interest in regulatory change with First Nations across the remainder of the North (Skeena, Omineca Regions) as well as in the Cariboo Region.

Background on compensation:

- Conversations with individual guides as well as the industry association (Guide Outfitters Association of B.C.) are underway.
- Total lost hunt revenue is roughly estimated at $1-1.5 M for moose and $1.2 M for caribou.
- Previous legal review confirms the Province is under no legal obligation to compensate guide outfitters for closed or cancelled hunts, and there is no compensation framework under the Wildlife Act.
- Advice/Recommentations; Government Financial Information

Contact:

Matt Austin	ADM	IROD	250-360-6317

2023/24 Estimates Note Template
Advice to the Minister

Ministry: Forests
Minister Responsible: Bruce Ralston

Title: BCTS 2022/23 Performance

Revised: February 6, 2023

Response:

- On average, BCTS continues to achieve its goal of supporting the Market Pricing System by advertising over 20% of the planned provincial harvest volume for the year. However, due to the impacts of adjusting to the new old growth paradigm and reconciliation commitments, BCTS is not projecting to achieve this target in 22/23 or next fiscal in 23/24.

2022/23 Performance Summary:

Key Performance Measure	Target	Projection*	Variance
Annual Timber Volume Sold	6.3Mm^3	4.9Mm^3	(1.4Mm^3)[1]
Annual Timber Volume Developed	8.6Mm^3	4.4Mm^3	(4.2Mm^3)[2]
Net Revenue	$53.7M	$109.1M	$55.4M

2023/24 Performance Target Summary:

Key Performance Measure	Target
Annual Timber Volume Sold [1]	6.4Mm^3
Annual Timber Volume Developed [2]	7.4Mm^3
Net Revenue Cabinet Confidences; Government Financial Information	

[1] The government's old growth strategy has paused timber sales in identified areas adversely impacting volume sold production for the year.

[2] Development delays due to the government's old growth strategy combined with reconciliation activities, and managing wildlife are adversely impacting production.

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

- BC Timber Sales (BCTS) acknowledges both considerable interest and values associated with old growth forests.
- Consistent with BCTS' overarching principle of sustainable forest management, BCTS staff undertake a variety of actions to manage, recruit, and conserve old growth forests and values across its operating areas.
- Maintaining access to harvesting opportunities in old growth stands, while managing associated values, is critical to BCTS achieving its primary goal of supporting the market pricing system as well as generating revenue and employment consistent with government's Economic Plan.
- BCTS is working collaboratively with its Ministry counterparts to implement all recommendations of the Old Growth Strategic Review, including deferrals of harvest within old growth ecosystems considered to be at very high risk.
- BCTS is actively pursuing partnerships with First Nations and re-engineering Timber Sale Licences impacted by the Old Growth decision and has recently seen an increase in auctions.

Background/Status:

- BCTS continues to play a critical role in the forest sector and the economies of rural communities.
- Each year on average BCTS continues to put over $170M directly into communities through tendering of its service contracts.
- Its activities also directly support over 4,000 to 7,000 well-paying jobs each year.
- Since inception in 2003, BCTS has:
  - ✓ sold over 200 million cubic metres of timber into the forest economy through competitive auctions;
  - ✓ grown over 1.1 billion trees to support future forests; and,

- ✓ earned about $1.8 billion in net revenue for the province, the majority of which supported other government priorities such as education, health, parks and recreation.

- BCTS publishes quarterly and annual public performance reports. The 2022/23 Annual Performance Report will be available in late June 2023.
- BCTS is held publicly accountable for performance through the publication of its quarterly and annual reports. Treasury Board requires these same business plan achievements and also holds BCTS accountable for achieving the requirements of *Forest Act* s 109.
- BCTS is projecting to only achieve 78% of its target for timber volume sold in 2022/23.
- BCTS is projecting to sell less timber volume in 2023/24 than in previous years.
- Implementation of the government's Old Growth Strategy has significantly impacted BCTS' ability to sell timber this year and next fiscal. This combined with wildlife impacts and delays related to reconciliation with Indigenous peoples are the primary reasons for the reduction.
    - 2023/24 will be the fifth year of the 5-year BCTS business cycle. At the end of 2022/23 there was already a short fall in timber volume sold from 2020/21 and 2021/22. It is unlikely BCTS will be able to rectify this shortfall before the end of the business cycle March 31, 2024.
- BCTS is projecting to exceed its Net Revenue target for 2022/23 by about $55M. The rates billed during the year were higher than expected as licensees took advantage of high lumber prices and continued to harvest high value timber and completed harvest of TSLs sold prior to the old growth decision.
- BCTS is projecting a lower Net Revenue for 2023/24 than earned in recent years. The rates paid for timber harvested are expected to maintain their level over the next year. However, the amount of timber volume harvested is expected to be much less than in previous years.

Contact:
Melissa Sanderson ADM - Timber, Range and Economics 250-812-7253

2023/24 Estimates Note
Advice to the Minister

Ministry: **Forests** Advice/Recommentations
Minister Responsible: **Bruce Ralston**

Title: **Old Growth Strategic Review**

Revised: **March 8, 2023**

Issue: **Developing an action plan to implement the recommendations in the Old Growth Strategic Review.**

Response:

- Government is committed to implementing all 14 recommendations in the Old Growth Strategic Review.
- We have deferred 2.1 million ha of old growth as a starting place to create the space for determing the long term plan.
- Government is working with First Nations to develop an Action Plan to implement the full suite of recommendations that prioritizes ecosystem health and community resiliency.
- Our government has a vision for B.C. and our forestry sector where First Nations are full partners in sustainable forest management.
- We have launched 8 new Forest Landscape Level Plans (FLPs), in addition to 4 existing FLPs. These 12 FLPs will be the platform to implement the recommendations of the OGSR including long term protection of old growth.
- Local governments are critical to engage in this work.
- Key stakeholders including industry, environmental organizations and labour groups are key participants as we develop the action plan and initiate the FLPs.
- The action plan is set to be completed by the end of 2023.

Background/Status:

- Government commissioned an independent panel to lead an Old Growth Strategic Review in July 2019. The panel was tasked with looking at old growth management from a variety of perspectives, including employment and economic

benefits, social, cultural, and environmental values, and the need to address climate change.

- The Old Growth Strategic Review report was submitted on April 30, 2020. Government has accepted all 14 recommendations and is now developing an action plan to guide implementation of the recommendations.
- The action plan supports work to modernize B.C.'s forest sector. The plan will be characterized by a longer-term paradigm shift in how we steward our forests, including:
- Ministry of Forests and the First Nations Forestry Council (FNFC) are working closely to provide guidance to FLPs and to prepare a draft Action Plan for further review by Indigeous leaders and organizations later this year. New funding of $2.4 million announced in February will support the FNFC's direct involvement in the development of the Action Plan.
- Broader collaboration and engagement in developing the plan includes:
    - Jan-Feb 2023:
        - two Provincial Forums held, first with First Nations only, and then with First Nations, Indigenous groups, and key stakeholders.
    - Mar-May 2023:
        - Regional workshops with First Nations and key stakeholders held both virtually and in-person in communities across BC.
        - Regional workshops with First Nations will build on existing Government-to-Government relationships where these exist.
    - April 2023 (TBD):
        - Virtual workshop co-hosted with UBCM for local government representatives.
- Discussion will explore regional issues, priorities and existing solutions as well as solutions-based actions to further guide action plan development.

Contact:

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Advice/Recommentations ; Intergovernmental Communications

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Advice/Recommentations ; Intergovernmental Communications

2023/24 Estimates Note
Advice to the Minister

Ministry: Forests
Minister Responsible: Bruce Ralston

Title: Stumpage

Revised: March 8, 2023

Issue: General Stumpage

Response:

- Stumpage is the fee government charges when it sells trees.
- BC charges for trees like a private landowner would.
- Licensees pay cash (stumpage) and provide services (obligations) for the trees they purchase.
- BC uses the Market Pricing System (MPS) to determine the stumpage rate.
- MPS uses BC Timber Sales auctions as the cornerstone system for pricing non-auctioned timber.
- MPS uses the data collected from auctioning off roughly 20% of the annual allowable cut (AAC) to price the remainder.
- Fiscal year 2023/24 stumpage revenue is estimated to be $686 M[1].
- Stumpage revenue is projected to be down from an estimated $1.4 B in fiscal year 2022/23, approx. 50%.
- The main reason for the decrease in stumpage revenues is due to lower expected average stumpage rates.
- Lower lumber prices are expected in 2023 reflecting an economic slowdown.
- Lumber prices have declined substantially since Spring 2022.
- The Market Pricing System (MPS) equation includes a lumber variable and it is very sensitive to changes in lumber prices.
- The forecast assumes $US 400 /mfbm price of lumber for calendar year 2023.

[1] Stumpage Revenue is part of Total Forest Revenue which is $846 million.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

Background/Status:

- Stumpage
  - Stumpage = Estimated Winning Bid (EWB) – Tenure Obligation Adjustments (TOA)
    - The EWB is the value of trees if sold prior to harvest. BCTS auctions standing timber to collect data, which is used to build the EWB equation.
    - The TOA is the value of services licensees provide to the government such as silviculture and road building.
  - Stumpage for licensees is updated quarterly based on the latest market conditions
  - The Coast and the Interior of BC both use a version of MPS and there are some differences in the details.

- Lumber Prices impacting Stumpage:
  - Advice/Recommentations; Government Financial Information
  -
  -
  -

Contact:

Melissa Sanderson	ADM - Timber, Range and Economics	250-812-7253

2023/24 Estimates Note
Advice to the Minister

Ministry: Forests
Minister Responsible: Bruce Ralston

Title: Reductions to Provincial AAC

Revised: March 20, 2023

Issue: The provincial timber supply is projected to decline from the current level of 60.3M cubic metre to 52M cubic meters by 2030.

Response:

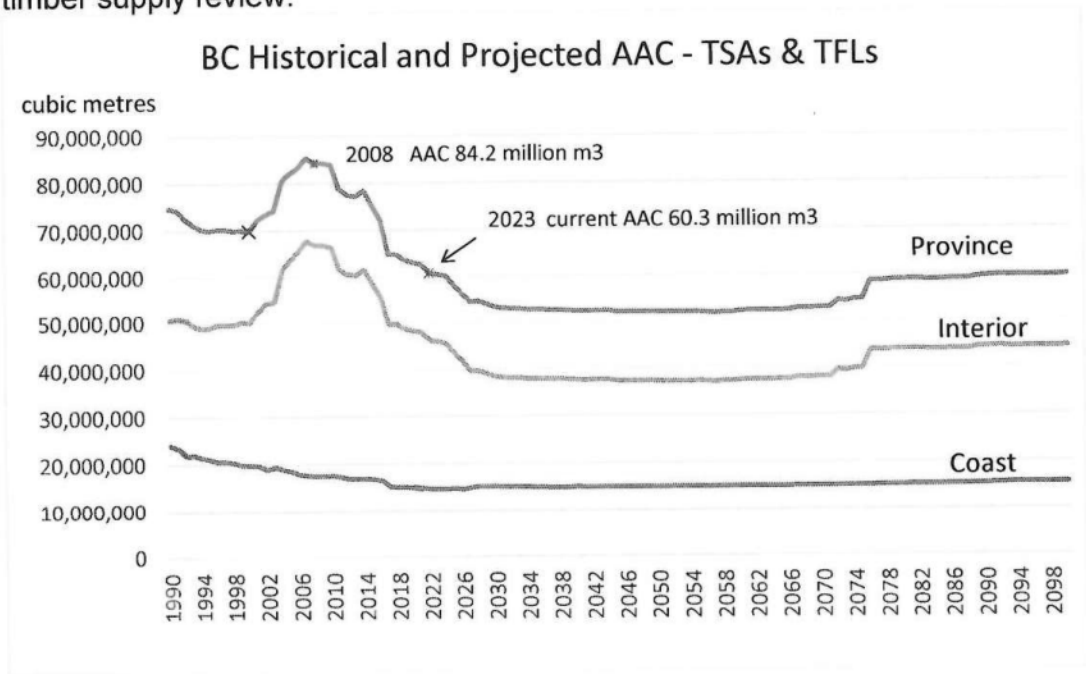
- During the 2000-2007 Mountain Pine Beetle epidemic, the Allowable Annual Cut (AAC) level for Timber Supply Areas (TSAs) and Tree Farm Licences (TFLs) was increased from 70M cubic metres to 84M cubic metres to allow salvage.
- Since 2007, as the beetle-killed timber has become less useable, the provincial AAC has declined to the current level of 60.3M cubic metres.
- AAC and Harvest fluctuate yearly. The average harvest for TSAs and TFLs over the last 7 years is 48,850,000 m3 or 73% of the 7 year average AAC.
- By 2030, the AAC for TSAs and TFLs is projected to decrease to about 52M cubic metres, approximately 24% below the pre-infestation level of 70M cubic metres.
- The average actual harvest for TSAs and TFLs over the last 7 years is 73% of the AAC total.
- This reduction may last 5 decades (the mid-term), after which the AAC could be increased as young forests become harvestable.
- This projection does not account for impacts related to future wildfires or insect infestations, the provincial Old-Growth Strategy, Caribou Recovery Plan, or other future land use decisions.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

Background/Status:

- The timber supply projection is shown on Page 3 are for TSAs and TFLs only. They do not include the timber supply from other tenures such as community forest agreements (2.1M cubic meters per year), First Nations woodland licences (0.8M m3/year) or woodlot licences (1.4M cubic meters per year).
- In addition to timber from Crown land, harvests from privately managed forest land in B.C. averages about 6.0M cubic meters per year.
- There is about 20 million hectares of Crown forest land that is available to harvest but currently uneconomic and therefore is not part of the AAC. If economic uses for these forests can be developed AACs declines could be reduced. As an example, currently most deciduous stands are not utilized but if economic uses can be found, commercial harvesting of these stands would mitigate AAC decline to a small extent.
- The timber supply projections illustrated below are based on the most recent timber supply review.



Contact:

Shane Berg	ADM	Office of the Chief Forester	250-851-6333

2023/24 Estimates Note
Advice to the Minister

Ministry: Forests
Minister Responsible: Bruce Ralston

Title: Heritage Conservation Act (HCA) Permitting Delays
Revised: March 6, 2023

Issue: Archaeology Branch Capacity and HCA Permitting Timelines

Response:

- The Province takes its role in overseeing the protection and conservation of archaeological and heritage resources through the administration of the Heritage Conservation Act (HCA) very seriously.
- I acknowledge that delays in the provincial archaeological permitting and assessment system are impacting industry, local governments, First Nations, Professional Archaeologists, and other British Columbians.
- As per my mandate letter, I am committed to improving timing and transparency of permitting processes to support sustainable economic development while maintaining high levels of environmental protection, in alignment with the cross-government permitting work led by the Ministry of Water, Land and Resource Stewardship.
- Additional resources have been committed to the Branch for permitting; two new staff for this fiscal year and a further four for fiscal years 2024/2025 and 2025/2026.
- Concurrent with these initiatives, the Province continues to seek interim solutions, including reviewing its internal processes to identify potential enhancements and efficiencies.
- Further, FOR is working with First Nations and stakeholders to complete amendments to the Heritage Conservation Act and the process includes identifying priority areas of change to better meet the needs of all British Columbians.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

Background/Status:

- The Archaeology Branch (the Branch) is responsible for administering the HCA, including: issuing inspection and investigation permits to qualified archaeologists to identify and assess protected archaeological sites; issuing alteration permits to developers to authorize alterations to known sites; maintaining the Provincial Heritage Register of all known archaeological sites in B.C.; providing archaeological information to eligible parties to inform land use decisions, and developing related policy and process.
- The Branch manages over 61,000 archaeological site records, receives 2,900 archaeological site record submissions annually, administers approximately 1,000 HCA authorizations annually (and the associated consultation), responds to over 4,000 individual requests for archaeological data annually, and advances operational and strategic relations with 204 indigenous communities and government agencies across B.C.
- This operational workload, which continues to grow rapidly, is undertaken by a core complement of 25 staff. The 25 staff constitutes 54% of total Branch staff; the remaining 46% are in externally funded and/or temporary term appointments.
- Nine new positions have been allocated to the Integrated Resource Operations Division in the three-year fiscal plan to help improve permitting turn around times; of these, the Branch has been allocated six positions.
- In 2022, it took the Branch an average of 255 days to process an HCA permit. Over 11,412 site records have yet to be processed.
- Another factor contributing to delays is the number of specialized engagement processes, information requirements and timelines associated with First Nations consultation per Provincial agreements, as well as deferred or longer consultation timeframes as required by First Nations (e.g., when considering impacts to significant sites, or when affected by natural disasers).
- Delay in issuing permits creates development uncertainty, increases timelines and costs and has significant impacts on the professional archaeological consulting community and many First Nations whose economic livelihoods are partially dependent on archaeological studies.
- To enhance capacity and improve service delivery, the Branch has sought to improve its systems and tools, streamlined business processes, advanced an organizational restructure, and negotiated several fee-for-service arrangements.

Contact:

Matt Austin	ADM	Integrated Resource Operations Division	250-360-6317

2023/24 Estimates Note
Advice to the Minister

Ministry: Forests
Minister Responsible: Bruce Ralston

Title: BC Timber Sales Old Growth Management & Deferrals Impact

Revised: March 5, 2023

Issue: BCTS Old Growth Management and Deferrals Impact

Response:

- BC Timber Sales (BCTS) acknowledges both the considerable interests and values associated with old growth forests.
- Consistent with BCTS' overarching principle of sustainable forest management, BCTS staff undertake a variety of actions to manage, recruit, and conserve old growth forests and values across its operating areas.
- Old growth forests comprise a significant portion of the volume that BCTS is reliant upon for its short and mid-term timber supply.
- BCTS is working collaboratively with its Ministry and Indigenous counterparts to implement all recommendations of the Old Growth Strategic Review, including deferrals of harvest within old growth ecosystems considered to be at very high risk.
- Consistent with provincial direction, BCTS temporarily paused issuance of licences overlapping with priority old growth deferral areas identified by the Technical Advisory Panel (TAP) where First Nations have indicated support for the TAP deferral.
- Where First Nations do not support TAP deferrals, BCTS has been working with First Nations to ensure its development in old growth forests is consistent with affected First Nations interests and land use plans.
- BCTS continues to adjust its plans to mitigate the impact to its timber sale auctions and meet customer needs.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

Background/Status:

- Old growth forests around the province are protected through a variety of legal designations and reserves at both the landscape level (e.g., parks, Old Growth Management Areas (OGMAs), Wildlife Habitat Areas) and the stand level (e.g., Riparian Reserve Zones, Wildlife Tree Retention Areas).
- Where OGMAs have not been spatially defined, BCTS and forest tenure holders must monitor and maintain non spatial targets for old growth consistent with provincial, or any higher-level plan Orders in effect for the management area in question. BCTS' strategies to comply with these Orders are outlined in its approved Forest Stewardship Plans (FSPs).
- BCTS has been voluntarily applying a best management practice (BMP) to protect exceptionally large old growth trees (aka Legacy Trees) in its coastal operations since 2017. To date over 276 Legacy Trees have been protected.
- The *Special Tree Protection Regulation*, introduced in September 2020 has resulted in protection of exceptionally large trees across a broader range of species on both coast and interior. To date, 20 specified trees have been protected by BCTS under this new regulation additional to Legacy Trees.
- Approximately 60% of provincial harvest (BCTS and non BCTS) is currently supported by old growth stands. Allowable Annual Cuts (AACs) determined by the provincial Chief Forester assume a staged transition from old growth to second growth over several decades in most management units.
- TAP old growth layers cover approximately 571,000 ha of BCTS' 9 million ha of operating area. This area is located both within FN territories that have said yes to TAP deferrals and within FN territories where the FNs consider that old growth is adequately managed through existing or ongoing processes.
- As a result of the November 2, 2021 announcement regarding old growth deferrals, approximately 2.7 million m^3 of timber sales volume was removed from BCTS' sales plan for the 21/22 fiscal year. An estimated 3.4 million m^3 are currently impacted on the 22/23 fiscal year sales plan.
- BCTS staff have been applying the Ministry's field verification process to confirm TAP attributes and, where feasible re-engineering cut blocks to exclude overlapping TAP areas. This will mitigate the impact of the TAP deferrals but will result in a delay to associated timber auctions and add to development costs.
- Subject to the availability of non constrained old forests or second growth forests, BCTS is shifting its timber development into alternative areas. However, it can take as long as two years to progress from initial planning to a ready to sell timber sale license.
- Increased application of partial harvesting is a key recommendation of the Old Growth Strategic Review. BCTS has some experience with partial harvesting and

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

has recently formed a task team to facilitate expanded use of non clearcut harvesting systems.

Contact:

Melissa Sanderson	ADM - Timber, Range and Economics	250-812-7253

2023/24 Estimates Note Template
Advice to the Minister

Ministry: Forests
Minister Responsible: Bruce Ralston

Title: TFL 46 – Old Growth and Fairy Creek
Revised: Marc 6, 2023

Issue: Government has suspended old growth harvesting for areas in the Fairy Creek Watershed and Central Walbran Watershed located in TFL 46.

Response:

- Tree farm licence (TFL) 46 is located on southern Vancouver Island
- In June 2021, the Province suspended old growth harvesting in the Fairy Creek Watershed and Central Walbran Valley through orders made under Part 13 of the *Forest Act.*
- Following the suspension of old growth harvesting in the two areas, the Chief Forester temporarily reduced the AAC for TFL 46.
- The order suspending harvesting in the Central Walbran Valley is set to expire on March 1, 2024 and will be renewed if necessary.
- The order suspending harvesting in the Fairy Creek Watershed is set to expire on June 8, 2023 and will be renewed if necessary.
- A timber supply review (TSR) is underway for TFL 46 and the chief forester will be setting a new allowable annual cut (AAC) for the TFL in March 2023.

Background/Status:

- TFL 46 is held by Teal Cedar Products Ltd. (Teal Cedar).
- The current AAC for TFL 46 is 381,009 cubic metres.

2023/24 Estimates Note Template
Advice to the Minister

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

- In June 2021 two Ministerial Orders were issued that suspended old growth harvesting in the Fairy Creek Watershed and Central Walbran Valley areas of the TFL.
- The intent of these orders was to provide protection for old growth forests within while permanent protection measures are developed with Indigenous Nations.
- The AAC attributed to these two areas in TFL 46 is 5,568 cubic metres, which is 1.5% of the current AAC for the TFL.
- Since old growth harvesting is suspended in the two areas, the chief forester has temporarily reduced the AAC for TFL 46 by 5,568 cubic metres.
- The order suspending harvesting in the Fairy Creek Watershed is set to expire on June 8, 2023, and the order suspending harvesting in the Central Walbran Valley is set to expire on March 1, 2024.
- A timber supply review (TSR) is underway for this TFL 46 and the chief forester will be setting a new allowable annual cut (AAC) in March 2023.
- There has been a substantial level of public comment received during the TSR with over 500 public submissions received by the Ministry and Teal Cedar.
- Concerns expressed by the public have primarily focused on species at risk (marbled murrelet and goshawk) and the protection of old-growth forests.
- These concerns coupled with other public comment and input from Indigenous Nations will be considered by the chief forester when an AAC determination is made in March 2023

Contact:

Shane Berg	ADM	Office of the Chief Forester	250 851-6333

2023/24 post-Estimates Note
Advice to the Minister

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

Title: **BCTS Performance/Old Growth Factors/Support for Value-add**

Revised: **May 5, 2023**

Response:

- The forest sector is undergoing a significant transition due to changing markets, reduced timber supply and the impacts of extreme events like beetle kill and wildfires.
- In response the Province is working with the sector to support operations through the transition and is also strengthening forest management which includes expanding protection of old growth forests.
- BC Timber Sales (BCTS) supports the forest sector economy, the economies of rural communities, and government's commitments to forest sector safety, reconciliation with Indigenous peoples, and sustainable forest management.
- BCTS is working closely with the value-add sector to develop and implement the Value-Added Manufacturing Program.
- BCTS is actively pursuing partnerships with First Nations and re-engineering Timber Sale Licences impacted by the old growth decision and has recently seen an increase in auctions.
- BCTS increases in sales will continue and will approach past levels within the coming years as we move through this transition.

Background/Status:

- In 2020/21 prior to the old growth (OG) decision BCTS sold 11.7 M m^3 (95% of total apportionment)

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

- On Nov 2nd, 2021, BCTS paused auctioning of ready to sell Timber Sale Licences (TSLs) for the remainder of fiscal 21/22 and for fiscal 22/23 and fiscal 23/24 forward to protect 7,875 ha of TAP priority at-risk OG overlap
- Those TSLs represent:
  - 34,033 ha of total area
  - 8.6M m^3 of total volume
- The OG decision also impacted 435,315 ha and about 181M m^3 (54M m^3 Coast, 127M m^3 Interior) within BCTS operating areas restricting future development of new TSLs

2022/23 Performance Summary: (Area breakdown in appendix)

- For the previous fiscal year BCTS:
  - had a total apportionment of 12.3M m^3
  - targeted the auction of 6.5M m^3
  - actually auctioned 5.5M m^3
    - of this 1.0M m^3 was not bid on
  - final total for sales is 4.4M m^3
    - of this, about 0.5M m^3 was directly targeted to value-add facilities
  - implementation of the government's OG Strategy combined with wildlife impacts (caribou and spotted owl) and delays related to reconciliation with First Nations (e.g. Blueberry, Treaty 8) are the primary reasons for the reduction.

2023/24 Performance Target Summary: (Area breakdown in appendix)

- For next fiscal year BCTS is projecting:
  - total apportionment 12.1M m^3
  - targeting the auction of 7.1M m^3
    - of this, about 0.7M m^3 will be specifically directed to value-add facilities
  - This will be about 60% of the pre-old growth decision apportionment and industry expectations for BCTS to auction.
  - 2023/24 will be the fifth year of the 5-year BCTS business cycle. BCTS will be unable to achieve its timber volume sold goal by the end of the business cycle on March 31, 2024.
  - BCTS is projecting that it will sell 77.8% over the business cycle due to OG, wildlife related issues, and reconciliation with First Nations.

Future Performance targets:

- Total apportionment will be around 12M m^3 (dependent on future apportionment decisions)
- Projected targets for
  - Fiscal 24/25 7.6M m^3 (about 0.8M for Value-add)
  - Fiscal 25/26 8.7M m^3 (about 0.9M for Value-add)
  - Fiscal 26/27 9.0M m^3 (about 0.9M for Value-add)

- This level of auction will be close to the pre-OG proportion of volume sold target vs total apportionment where un-apportioned AAC determination and uneconomic areas such as Fort Nelson and north coast are the dominant reducing factors.

BCTS activities to increase sales

- BCTS is actively pursuing partnerships with First Nations and re-engineering TSLs impacted by the OG decision and has recently seen an increase in auctions.
- BCTS has developed guidance on managing OG and TAP that is now being used in the broader forest sector.
- BCTS has developed and is training staff on the use of partial harvest systems that is also now being shared with First Nations and the rest of the forest sector.
- BCTS has refined our mapping and data management systems to monitor and report out on the interaction with the OG resource.

BCTS Value-added Manufacturing Program

- On January 24, 2023, Government announced that the BCTS Category 2 program is being modernized making it more inclusive for small and medium sized forestry manufacturers that have limited or no access to Crown timber.
- The new BCTS Value-added Manufacturing Program will provide improved opportunities to purchase timber on the open market and will replace Category 2.
- The program will define value-added as processing of logs or lumber through primary and secondary manufacturing that results in functional and durable products, increasing the value of the log or lumber greater than its base value.
- BCTS continues to work with the value-added sector, First Nations and stakeholders in the development of the Value-added Manufacturing Program. This program addresses concerns expressed by the value-added sector and will support existing value-added forestry manufacturers and newer entrants.
- BCTS is actively pursuing acquiring additional timber volume through all means available under the *Forest Act* to support an expanded program.

Name	ADM	Division	Phone:
Allan Powelson	Melissa Sanderson	BCTS -TRE	778 974-5667

Appendix

BCTS *Sales*	2019/20 (Mm3)	2020/21 (Mm3)	21/22 (Mm3)	22/23 (Mm3)	23/24 Projected	24/25 Projected	25/26 Projected
North	4.7	5.5	2.5	0.9	3.0	3.3	3.4
South	3.7	3.7	3.5	2.4	2.6	2.6	3.6
Coast	1.7	2.5	1.2	1.1	1.5	1.7	1.8
BC wide	10.1M m^3	11.7M m^3	7.2M m^3	4.4M m^3	7.1M m^3	7.6M m^3	8.7M m^3

For fiscal year 22/23 BCTS North:

- total apportionment 5.6M m^3
- targeted the auction of 2.4M m^3
- actually auctioned 1.1M m^3
- of this 0.1M m3 was not bid on
- final total for sales is about 1.0M m^3
    - none of this was directly targeted to value-add facilities
- main issues affecting sales performance: Treaty 8 and Blueberry negotiations (NE), low economics of Fort Nelson and North Coast, and OG deferrals

For fiscal year 22/23 BCTS South

- total apportionment 4.3M m^3
- targeted the auction of 2.4M m^3
- actually auctioned 2.8M m^3
- of this 0.5M m^3 was not bid on
- final total for sales is about 2.3M m^3
    - of this, about 0.4M m3 was directly targeted to value-add facilities
- main issue affecting sales performance: OG deferrals

For fiscal year 22/23 BCTS Coast:

- total apportionment 2.3M m^3

- targeted the auction of 1.5M m^3
- actually auctioned 1.6M m^3
- of this 0.5M m^3 was not bid on
- final total for sales is about 1.1M m^3
    - of this, about 0.1M m^3 was directly targeted to value-add facilities
- main issues affecting sales performance: OG deferrals

Activities to accommodate Old Growth impacts on TSLs

Of the original impacted TSLs that were paused for auction, BCTS has:

- Auctioned 2.5M m^3 of the original 8.6 M m3 that was paused
    - 0.7M m^3 was due to re-engineering.
    - 0.3M m^3 due to FN request to auction
    - 1.5M m^3 due to verification of TAP mapping errors
        - 0.4M m^3 Dead
        - 0.7M m^3 field condition did not meet map criteria
        - 0.4M m^3 TAP polygon boundary errors
    - Since Nov 2, 2021, BCTS has sold 93 TSLs (82 Interior and 11 Coastal) that were originally paused due to TAP overlap; so far none of these have garnered ENGO attention.

Additional information on BCTS

- BCTS continues to play a critical role in the forest sector and the economies of rural communities.
- Each year on average BCTS continues to put over $170M directly into communities through tendering of its service contracts.
- Its activities also directly support over 4,000 to 7,000 well-paying jobs each year.
- Since inception in 2003, BCTS has:
    - ✓ sold over 200 million cubic metres of timber into the forest economy through competitive auctions;
    - ✓ grown over 1.1 billion trees to support future forests; and,
    - ✓ earned about $1.8 billion in net revenue for the province, the majority of which supported other government priorities such as education, health, parks and recreation.
- BCTS is held publicly accountable for performance through the publication of its quarterly and annual reports. Treasury Board requires these same business plan achievements and also holds BCTS accountable for achieving the requirements of *Forest Acts 109.*

Appendix

- BCTS publishes quarterly and annual public performance reports. The 2022/23 Annual Performance Report will be available in late June 2023.
- BCTS is projecting to exceed its Net Revenue target for 2022/23 by about $55M. The rates billed during the year were higher than expected as licensees took advantage of high lumber prices and continued to harvest high value timber and completed harvest of TSLs sold prior to the OG decision.
- BCTS is projecting a lower net revenue for 2023/24 than earned in recent years. The rates paid for timber harvested are expected to maintain their level over the next year. However, the amount of timber volume harvested is expected to be much less than in previous years.

2023/24 Estimates Note
Advice to the Premier

Ministry: Forests
Minister Responsible: Bruce Ralston

Title: **Mill Closures – Impacts, Factors, Competitiveness Considerations and Government actions**

Date: **May 5, 2023**

Issue: **Declining timber availability and other factors influencing mill closures, and supports for forestry workers**

Response:

- Our hearts go out to the affected workers and their families dealing with curtailments caused by weakening markets and changes in the forest sector.
- The Ministry of Forests remains focused on the continuity of fibre supply to mills, stabilizing harvest levels, and the sustainability and stewardship that's required to support the transformation of the forestry sector, through collaboration with Indigenous partners, industry, and communities.
- B.C. recognizes that reconciliation with Indigenous peoples is integral to bringing stability to the forest sector and is an underpinning in modernizing forest policy in B.C.

Competitiveness of the BC Forest Sector

- B.C.'s forest sector remains the largest lumber producer in Canada. In 2022, the sector provided jobs to over 48,000 people in communities in every corner of British Columbia.
- Our vision for the forest sector will build certainty for industry and ensure benefits are shared more fairly with workers and communities including recognizing First Nations rights and title holders as partners in managing our forests.
- We are protecting and supporting workers and communities affected by old growth deferrals.

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

- We are creating secure jobs through innovation and made-in-B.C. wood products so communities can thrive for generations to come.
- Forest manufacturing investment in B.C. was $1.1 billion in 2021, up 14% compared to 2020.

Investment in Forest Worker and Community Supports (FWCS)

- The Province recognizes the challenges facing the forest industry and is providing $185 million over the next three years to provide enhanced support to forestry workers, contractors, communities, First Nations, and businesses to lessen the impacts from mill closures and curtailments as a result of downturns in the forest sector.
- In addition, B.C. has invested $50 million to help get fire damaged wood to B.C. mills.
- As part of the original FWCS suite of programs, the B.C. Manufacturing Jobs Fund (MJF) was announced in February 2023 to support value-added manufacturing with an additional $180 million in funding for FY2023/24 to FY2025/26. This program will drive clean and inclusive growth to those areas affected by economic impacts or downturns, and create thousands of stable, good-paying jobs.
- We are also focusing on supporting value-added wood products to generate more value from each log. An example of this support is the new B.C. Timber Sales Category Value-Added program, which will give small and medium-sized forestry manufacturers the ability to apply for Timber Sale Licences, improving their access to fibre.

2023/24 Estimates Note
Advice to the Premier

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

Background/Status

- From 2021 to May 5, 2023, there have been four permanent full facility closures and seven indefinite full facility closures announced.
- More than 1,900 workers have been impacted by permanent and indefinite closures and permanent shift reductions in B.C. from 2021 to May 5th, 2023.
- The majority of curtailments and closures in late 2022 and 2023 have cited fibre supply issues and low lumber prices.
- The following communities have been impacted due to publicly announced permanent closures and indefinite curtailments since 2021: Prince George, Houston, Quesnel, Mackenzie, Chetwynd, Fraser Lake, Midway, Port Alberni, Powell River, Taylor, Terrace, Vanderhoof, Kelowna and Williams Lake.

Factors influencing mill closures:

- Economic viability and access to fibre: High transportation costs to access and remove fibre from remote areas and access to harvest residuals beyond a certain radius currently limits total fibre availability.
- Operational land constraints: Evolving land use objectives and conservation strategies, such as old growth, First Nations planning initiatives and caribou habitat management, are operationally constraining the timber harvesting land base. Although FOR remains focused on stewardship and sustainability objectives, these constraints are impacting the timber supply.
- Declining forest product markets and access: Coming out of Covid-19 restrictions, economic headwinds have led to reduced global demand for fibre, and primary and value-added products.
- In addition to these factors, some mills are curtailing to address outdated milling infrastructure, or to adjust their equipment and infrastructure to changes in the species, size or quality of the available timber, and changing product demand. Shortages in trucking and rail transportation challenges have also impacted some interior mills.

Competitiveness Considerations:

- B.C. headquartered companies struggled in Q4 2022 but had strong returns for 2022 as a whole.

Company Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) in 2022 Q4 and 2022 total.

Company	2022 Q4 (millions)	2022 Total (millions)
Canfor	-$63	$1,512
Interfor	-$69	$1,059
West Fraser	$70	$3,131
Western Forest Products	-$12	$119

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

- According to Forest Economic Advisors' (FEA) quarterly forecast released in February, the B.C. Interior was the highest cost lumber producer in 2022 of the six North America regions they cover. FEA forecasts that this will continue in 2023, and that average lumber selling price will be below average cost.
- There is no recent cost data for the B.C. Coast, but as of a few years ago, the B.C. Coast was one of the highest cost lumber producers globally, although it also had higher than average revenue per thousand board feet.
- For pulp, B.C.'s Coast had the third highest costs in Q3 2022 compared to the ten North American regions producing Bleached Softwood Kraft, while the Interior was the fifth highest cost region. B.C.'s main market for Northern Bleached Softwood Kraft (NBSK) pulp is China, where the price has fallen from US $885/tonne on March 24th to US $688/tonne on May 5th.

Supports for Forestry Workers, Communities, and First Nations:

- With support from the Ministry of Forests, the ministries of Labour, Jobs, Economic Development and Innovation, and Post-Secondary Education and Future Skills have a suite of supports for workers, communities and First Nations to offset economic and community impacts resulting from downturns in the forest sector.
- This includes skills training, short-term employment opportunities, employment assistance, and retirement transition support for workers who are 55 years old or older. Budget 2022 committed $185 million over three years for these programs.
- Government has also established a Forestry Worker Support and Community Resiliency Council (FWSCRC) chaired by Parliamentary Secretary Routley, to provide further advice on community and worker support.
- Worker transition supports will continue as long as the need is identified by local government and key stakeholders. Economic development supports will continue beyond the transition response as part of a comprehensive strategy towards long term community sustainability.

Contact:

Melissa Sanderson	ADM	Timber, Range, and Economics	250-812-7253

2023/24 Estimates Note
Advice to the Premier

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

Appendix 1
Permanent Closure and Indefinite Curtailments from 2021 to May 5, 2023.

Company Name	Mill Location	Product	Effective Closure/ Curtailed Date	Reason	Layoff Type	Comments
Tolko	Williams Lake (Soda Creek)	Lumber	10-Apr-23	Fibre supply and high cost	Permanent	• Shift Reduction • 65 workers impacted.
Canfor	Taylor	Pulp	01-Mar-23	Fibre supply	Indefinite	• Full closure • Mill curtailed since December 2021 • 80 workers impacted at the time of temporary announcement.
Canfor	Chetwynd	Lumber & Pellet	Q2, 2023	Fibre Supply	Permanent	• Full closure • 120 workers • 750 million board feet along with Houston's closure
Canfor	Houston	Lumber	Q2, 2023	Fibre Supply	Indefinite	• 300 workers • An investment decision will be released in 2023 regarding converting the facility to “high value” products • 750 million board feet along with Chetwynd's closure
ROC Holdings Ltd.	Terrace	Pellet	08-Feb-23	Fibre supply	Indefinite	• Full closure because it uses residual from the now curtailed Skeena sawmill • Facility has been closed since Jan 6, 2023

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ROC Holdings Ltd.	Terrace	Lumber	08-Feb-23	High cost and fibre supply	Indefinite	• Full closure – company hopes to reopen • >150 workers • Had been trimming production since fall 2022
Western Forest Products	Port Alberni	Lumber	26-Jan-23	Unecono mic (limited detail provided)	Indefinite	• On temporary curtailment since 30-Oct-22 • >100 workers • Fibre supply and weak markets
Vaagen Fibre Canada	Midway	Lumber	06-Jan-23	Fibre Supply Issues	Indefinite	• Company hopes to reopen • 85 employees as well as 100 contractors
Canfor	Prince George	Pulp	Q1, 2023	Fibre availability	Permanent	• Pulp operations closure • Paper operations unaffected • 300 workers • 280,000 tonnes of market kraft pulp annually
Gorman Bros.	Westbank (West Kelowna)	Lumber	24-Oct-22	Fibre Supply Issues	Indefinite	• 11 workers • Appears to be permanent • No mention of impacts to production
West Fraser	LeJac	Lumber	Q4, 2022	Transport ation and fibre availability	Permanent	• Shift reduction • 77 workers • 170 million board feet combined with Williams Lake
West Fraser	Quesnel	Plywood	Q4, 2022	Transport ation and fibre availability	Permanent	• Shift reduction • 55 workers • 85 million square feet
West Fraser	Williams Lake	Lumber	Q4, 2022	Transport ation and fibre availability	Permanent	• Shift reduction • 15 workers • 170 million board feet combined with LeJac (Fraser Lake)

Ministry: **Forests**
Minister Responsible: **Bruce Ralston**

Canfor	Vander-hoof	Lumber	Q2, 2022	Fibre availability	Indefinite	• Shift reduction • 70 workers • 150 million board feet
Pacific BioEnergy	Prince George	Pellet	18-Mar-22	Increased cost of raw material and fibre supply	Permanent	• Full closure • 55 workers
Paper Excellence	Powell River	Pulp & Paper	04-Feb-22	Global market and paper prices	Indefinite	• Full closure • Curtailed since April 18, 2021 • 206 workers • Capacity: Pulp: 217,000 tonnes & Paper: 294,000 tonnes
Paper Excellence	Mackenzie	Pulp	01-Apr-22	Fibre Supply	Permanent	• Full closure • Indefinitely curtailed since July 2020 • 253 workers

LEGISLATIVE SESSION – ESTIMATES NOTE

Measure of Attachment to a Primary Care Provider

Topic: "Attachment" describes an ongoing care relationship between a primary care provider and a patient. The relative size of the unattached population is an indicator of the need for primary care resources.

Key Messaging and Recommended Response:

- **Measuring attachment to a primary care provider has traditionally relied on the Ministry's internal algorithm and the Canadian Institute of Health Information.**
- **To improve our ability to measure attachment, we have introduced new infrastructure in support of our Primary Care Strategy.**
- **Health Connect Registry (HCR) implementation: The HCR centralizes and streamlines registration for primary care providers, helping close the patient-provider gap in communities.**
- **Information collected in the HCR provides real-time data on the patient-to-provider gap in communities and inform health system planning and primary care recruitment efforts across the province.**

CURRENT SITUATION

- The Ministry of Health has historically relied on two measures to estimate patient attachment:
  - The Ministry's attachment algorithm (provincial and community level estimates).
  - Canadian Community Health Survey data (Statistics Canada survey).
- Additional measures are being used to estimate need and track the progress of the Ministry's Primary Care Strategy.

FINANCIAL IMPLICATIONS

N/A

KEY BACKGROUND

Current/Historical Attachment Measures

The Attachment Algorithm

- The algorithm is derived from Medical Services Plan (MSP) data on patterns of primary care use. It has the advantage of using administrative data to generate a full-system view of how patients access primary care.
- The algorithm does not provide any information on how patients and providers view their care relationship (e.g., if the patient views the provider they are attached to under the algorithm as 'their' provider).
- Patients may be categorized as attached, unattached, or unknown.
  - A patient is categorized as **attached** if: The majority of a minimum of 5 primary care visits in (up to) the last 10 years were made to the same primary care provider or group practice, or a patient does not have 5 visits but has 3 visits to the same practice/provider.
  - A patient is categorized as **unattached** if the patient has the minimum 5 visits in up to 10 years but does not have a majority with a primary care practice/provider.

  - A patient is categorized as **unknown** if the patient does not have the minimum 5 visits in up to 10 years and does not have 3 visits to the same practice.
- Attachment to an individual provider is also calculated, although attachment to a group/solo practice is the measure most commonly used because it better reflects the reality of primary care delivery; a patient may have a primary care provider but may not see the same provider each time they visit the practice.
- The unattached grouping is the population of focus; these are patients who use primary care, but who do not seem to have a longitudinal relationship with a provider.
- The unknown population uses very little primary care and is similar in magnitude to the percent of BC residents who say they are not looking for a provider in the Canadian Community Health Survey.
- Table 2 illustrates recent attachment rates as estimated by the algorithm. Note that 2020/21 and 2021/22 estimates are lower but may have been impacted by the pandemic.
- Compared to the over all population, the unattached population tends to be:
  - More male: 55.6%, compared to 47.2% of the attached and 49.5% of the total populations.
  - Younger: average age of the unattached is 33, compared to 46 in the attached and 43 overall.

Statistics Canada's Annual Canadian Community Health Survey (CCHS)

- The CCHS provides a patient perspective on attachment that is unavailable in the attachment algorithm calculation and been frequently used in Ministry communications.
- Estimates are reported at the provincial level but are a useful comparator to the estimate produced by the algorithm.
- Because it is a survey, CCHS results are dependent on resident responses from a representative sample of British Columbians.

Table 1. Canadian Community Health Survey Results

Year	Percent with regular provider	Percent with no regular provider	Percent seeking provider	BC population	Estimated number seeking provider
2021	83.0%	17.0%	10.1%	5,194,137	524,608
2020	80.9%	19.1%	11.1%	5,139,568	569,361

Table 1. CCHS estimates of BC residents seeking provider[1]

Year	Percent with regular provider	Percent with no regular provider	Percent seeking provider	BC population	Estimated number seeking provider
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2020	80.9%	19.1%	11.1%	5,139,568	569,361

Health Connect Registry

- The Health Connect Registry (HCR) is being implemented across Primary Care Network (PCN) communities as a centralized and streamlined process for individuals, their families, or persons in their care to register for a primary care provider, family doctor or nurse practitioner. Registration is available online at HealthLinkBC.ca or by phone at 8-1-1 for those who require additional supports or translation.

[1] Statistics Canada. Table 13-10-0096-01 Health characteristics, annual estimates
[2] Statistics Canada. Table 13-10-0096-01 Health characteristics, annual estimates

- Information collected in the HCR will provide real-time data on the patient to provider gap in communities and inform health system planning and primary care recruitment efforts across the province.

On-Going Monitoring of Attachment

- This is being addressed by the introduction of a $0 fee item for practitioners to enter into the MSP claims system when they meet with a patient and agree to take that patient on their panel.
- This fee item will allow reporting on a given PCN's progress toward its attachment target to begin earlier than the attachment algorithm which relies on historical data.
- As of January 5, 2023, 263,917 people have been attached through Primary Care Strategy initiatives.

Capacity Gap Analysis

- The capacity gap analysis was developed to assist PCN communities with service planning by focusing on primary care needs in local areas.
- The capacity gap analysis identifies a target population to be attached in the community by:
    - Estimating the current primary care workforce and its capacity to provide care in a geographic area,
    - Estimating the population in need of primary care within that area,
    - Identifying a gap (if any) between the population needs and workforce capacity.
- The capacity gap analysis is developed in collaboration with PCN planners and uses local information. Community partnership helps obtain a more accurate picture of local circumstances:
    - Where available, the capacity gap analysis uses data provided by the community on the primary care workforce. This helps identify practitioners working in the community, which may differ from Ministry data, where practitioner location is recorded by their billing address. A practitioner's billing address may not be the same as their practice location.

Table 2. Attachment Algorithm Patient Attachment Status for Last 5 Fiscal Years[3]

	Attached		Unattached		Unknown	
Fiscal Year	Residents	Percent	Residents	Percent	Residents	Percent
2021/22	4,220,504	77.2%	663,598	12.1%	585,088	10.7%
2020/21	4,112,271	77.3%	686,773	12.9%	520,335	9.8%
2019/20	3,961,570	75.4%	774,581	14.7%	515,672	9.8%
2018/19	3,867,075	75.3%	799,255	15.6%	467,745	9.1%
2017/18	3,819,472	75.9%	777,696	15.4%	437,334	8.7%

LAST UPDATED

The content of this fact sheet is current as of February 20, 2023, as confirmed by Eric Larson.

APPROVALS

2023 02 20 – Eric Larson, Health Sector Information, Analysis & Reporting Division
2023 04 18 – Martin Wright, Health Sector Information, Analysis & Reporting Division

[3] Ministry of Health, Health Sector Information, Analysis, & Reporting Division, Client Roster Database, Extracted February 13th, 2023

LEGISLATIVE SESSION – ESTIMATES NOTE

Mental Health and Substance Use Beds Overview

Topic: In BC, people with Mental Health and Substance Use (MHSU) conditions may access an array of health services, including bed-based services provided in community (and supported housing), acute, tertiary, and emergency department facilities. The Ministry of Health collects data on the Ministry's funded MHSU beds/units and rooms on a quarterly basis through the MHSU Bed Survey.

Key Messaging and Recommended Response:

- **Treatment and recovery is not a one-size-fits-all solution. We know that recovery is possible and ensuring people have access to the right treatment services when they need them is critical.**
- **BC is implementing a provincial approach to treatment and recovery services that will allow more people to access the care they need quicker and closer to home.**
- **As of January 2023, there are 3,260 publicly funded substance use beds.**
- **Since 2017, our government has added over 360 new adult and youth substance use beds (as of January 2023). We have made progress in the last year alone, including 106 new adult beds.**
- **Budget 2023 invests $586 million across the spectrum of services and supports for people struggling with substance use disorder with a focus on expansion of treatment and recovery beds, including 195 new treatment beds and a new model of seamless care.**

CURRENT SITUATION

According to December 2022 MHSU Bed Survey (Table 1):

- In total, there were 22,552 publicly funded MHSU beds/units of which 19,281 were mental health and 3,271 were substance use beds/units. This represents an increase of about 3.5% and 0.6% since December 2021[1] the survey for MHSU beds/units, respectively.
- Of all MHSU beds/units about 90.5% (or 20,405 beds/units) were designated for community services, while about 9.5% (or 2,147 beds/units) were designated for services in acute and tertiary facilities.

[1] HSIAR Division, Ministry of Health (2021). Dec 31, 2021. MHSU Bed Survey. RMS 1195 MHSU Bed Information 2021-12-31.xlsx

Table 1: Number of Publicly Funded MHSU Beds/Units in B.C.[2]

	IHA	FHA	VCHA	VIHA	NHA	PHSA	B.C. Total
Mental Health							
Community	1,879	4,358	7,581	2,807	520	138	17,283
Acute	137	266	229	174	54	-	860
Tertiary	164	269	216	178	69	242	1,138
MH Total	**2,180**	**4,893**	**8,026**	**3,159**	**643**	**380**	**19,281**
Substance Use							
Community	278	473	1,536	578	118	139	3,122
Acute				4*			4*
Tertiary			10**			135	145**
SU Total	**278**	**473**	**1,546**	**582**	**118**	**274**	**3,271**
Total Beds/Units							
Community	2,157	4,831	9,117	3,385	638	277	20,405
Acute	137	266	229	178	54	-	864
Tertiary	164	269	226	178	69	377	1,283
Total	**2,458**	**5,366**	**9,572**	**3,741**	**761**	**654**	**22,552**

- Community beds/units also include beds that are provided through the BC Housing Health Services Program. Through a partnership with BC Housing and health authorities, the Program provides increased access to safe and affordable housing units, directly managed, or funded through BC Housing, for individuals with MHSU conditions. Health authorities also provide a significant number of MHSU supported housing units for people with MHSU disorders.
- Additionally, there were 204 secure rooms, 18 observation units and 23 quiet rooms available for MHSU patients per the survey, December 2022 (Table 2). Secure rooms, operated by designated mental health facilities, offer seclusion to MSHU patients. Observation units, also operated by designated mental health facilities, accept involuntary patients for short periods of assessment, stabilization, and treatment before final treatment at a designated facility. Quiet rooms provide a non-stimulating environment to clients with complex behaviour not requiring a secure room.

Table 2: Number of Publicly Funded Secure/Observation and Quiet Rooms/Units in BC[2]

	IHA	FHA	VCH	VIHA	NHA	PHSA	B.C. Total
Secure Rooms	33	45	48	31	10	37	**204**
Observation Rooms	3			3	12		**18**
Quiet Rooms	3		8	8	3	1	**23**
Total	**39**	**45**	**56**	**42**	**25**	**38**	**245**

- While children and youth (ages 0-30) represent one third of the BC population[3] about 312[4] MHSU beds/units (or 1.4% of the total MHSU beds/units) are allocated to that demography (Table 3).
- The bed numbers in Table 3 exclude bed-based treatment services provided by the Ministry of Children and Family Development, such as youth forensic services, and bed-based treatment services offered by the Maples adolescent treatment centre[5].

[2] HSIAR Division, Ministry of Health (2022). Dec 31, 2022. MHSU Bed Survey. RMS 3874 MHSU Bed Information 2022-12-31.xlsx

[3] HSIAR Division, Ministry of Health (2023). Client Roster. Population data is extracted on March 10, 2023.

[4] Beds reported for clients under 31 years of age. Additionally, 32 beds were reported as Adult Supportive Bed Based Services (Supportive Recovery) by FHA for clients aged 19-24.

[5] Maples adolescent treatment centre provides beds to young people with psychiatric and behavioural disorders, and alcohol and drug residential treatment services for youth involved with the criminal justice system.

Table 3: Number of Publicly Funded Child and Youth Beds[2,4]

	IHA	FHA	VCHA	VIHA	NHA	PHSA	B.C. Total
Community	29	73	24	30	8	44	208
Acute	2	20		18	6		46
Tertiary	8		10			40	58
Total	**39**	**93**	**34**	**48**	**14**	**84**	**312**

FINANCIAL IMPLICATIONS

N/A

KEY BACKGROUND

- Beds are a treatment option that represent a small portion of a broad continuum of care for children and youth, and they are connected to a variety of treatment supports to help people achieve the best possible health outcomes.
- There are other MHSU beds that receive funding from the provincial government. For example, there are beds subsidized by the Ministry of Social Development and Poverty Reduction, and beds funded through special grants.

LAST UPDATED

The content of this fact sheet is current as of March 24, 2023, as confirmed by Christine Voggenreiter.

APPROVALS

2023 03-17 – Martin Wright, Health Sector Information, Analysis & Reporting Division
2023 03-24 – Christine Voggenreiter, Health Sector Information, Analysis & Reporting Division

LEGISLATIVE SESSION – ESTIMATES NOTE

Summary of Family Physician Supply in BC

Topic: Overview of family physicians (FPs) supply in BC, including programs to educate, recruit and retain FPs.

Key Messaging and Recommended Response:

- **Retaining, recruiting, and training more family doctors in BC is a top priority for our government.**
- **That is why we have significantly expanded pathways for international medical graduates to practice in BC, such as tripling the BC Practice Ready Program in November from 32 seats to 96 seats by March 2024.**
    - **This includes a commitment of an additional $1.15M in funding for up to 16 candidates with priority given to Primary Care Networks.**
    - **As of December 5, 2022, 188 IMGs have successfully completed the PRA-BC Program and have been placed in 57 Return of Service communities across BC.**
    - **As of January 4, 2023, 427 family physicians have been placed in 91 communities.**
- **We have made significant expansions in post-secondary medical education at UBC's School of Medicine, most recently through our record investment of $995 in BC's Health Human Resources Strategy announced in the fall of 2022,**

Advice/Recommentations

- **Not only are we recruiting and training more family doctors: we are changing their payment structures to retain existing ones and attract more to practice in BC by ratifying the best physician master agreement in Canada this year and introducing a new Longitudinal Family Practice Payment Model that moves away from fee-for-service.**
    - **As of April 17, 2023, 2,777 family physicians have signed on to the new model so far.**

- **With 160 net new family physicians, who are either new to BC or were not practicing family medicine.**

- **All of these steps represent a comprehensive approach to ensuring BC's supply of family physicians meets our needs today and looks forward to the needs of tomorrow.**

CURRENT SITUATION

- In the 2021/22 fiscal year, 7,083 FPs and emergency medicine FPs (50% of all physicians) received payment from the Ministry for providing patient care services.[1] This corresponds closely to the number of FPs registered through CPSBC during the same time period.[2]
- In most years, BC's complement of FPs grows faster than the population: Between 2017/18 and 2021/22, the number of FPs grew by 11.2%; BC's population grew by 5.8%.
- BC compares favourably with other Canadian provinces in per population supply of FPs: according to the Canadian Institute for Health Information (CIHI), in 2021, BC had 136 FPs per 100,000 population, behind only Nova Scotia, Yukon and New Brunswick and well above the Canadian rate of 124 per 100,000[3].
- That ratio continues to grow for BC: From 129 per 100,000 in 2017 to 136 per 100,000 in 2021[4].
- BC also continues to train and qualify more FPs to practice:
  - First-year medical residency positions have increased from 134 (2003) to over 362 positions annually, including an increased Family Medicine intake from 54 (2003) to 174 positions in 2022.
- As outlined in the Ministry's recently announced Provincial HHR Strategy:
  Advice/Recommentations
  - BC's Practice Ready Assessment (PRA-BC) program for internationally educated family physicians will also increase from 32 (current) to 96 annual seats by March 2024.
- Table 1 illustrates the distribution of FPs across payment models over the last five fiscal years for which there is complete data. FP remuneration is trending away from fee-for-service as the exclusive payment modality to other models, e.g., such as service contracts, salary, sessional or capitation.

Table 1. Family Physician Headcounts by Payment Modality[1]

Modality	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Fee-for-Service Only (FFS)	4,649	4,680	4,675	4,840	4,992
Mixed FFS/Other Payments	1,411	1,557	1,700	1,589	1,737
Other Payments Only	310	262	266	330	353
Total	**6,370**	**6,499**	**6,641**	**6,759**	**7,082**

[1] Health Sector Information Analysis and Reporting Division, Integrated Analytics: Hospital, Diagnostic and Workforce, April 2023.
[2] CPSBC, 2021/22 Annual Report. Retrieved on February 7, 2023, from https://www.cpsbc.ca/files/pdf/2020-21-Annual-Report.pdf .
[3] CIHI, Supply, Distribution and Migration of Canadian Physicians, 2019: Data Tables. Retrieved electronically on February 7, 2023, from: https://secure.cihi.ca/estore/productSeries.htm?pc=PCC34.
[4] *Ibid 3.*

- Table 2 provides detail on the number of FPs working under various payment arrangements, as of March 31, 2023. FPs are counted in each payment model under which they worked but only once in the total. Note that FPs who adopted the LFP payment model are counted under fee-for-service.

Table 2. Family Physician Headcounts by Payment Modality, Detail, 2022/2023[1]

Modality	Family Physicians
Fee-for-Service	6,732
Alternative Payments Program	1,241
Group Contract	77
Northern Model (capitation)	12
New-to-practice Contracts	209
Population-Based Funding (capitation)	69
Primary Care Strategy Funded APP	364
Total	**7,169**

* As of 2022/2023 Q3

FINANCIAL IMPLICATIONS

N/A

KEY BACKGROUND

Postgraduate Medical Education (PGME)

- Family medicine residency positions continue to be expanded:
  - Aligned with Ministry's key priorities and BC's workforce needs, UBC continues to maintain a strong focus on training generalists and family medicine physicians to help support increased access to primary care.

Advice/Recommentations

  - As new family medicine residents move through their residency training programs, BC will continue to realize the benefits of the Ministry's significant investment into PGME training.
- UBC's family medicine program is distributed at 20 regionally based training sites across the province to:
  - Expose and prepare residents for the challenges and benefits of practicing in rural, remote, and other underserved communities.
  - Enhance health care service capacity across the province; note that medical residents also provide direct patient care while they train.
  - Upon completion of PGME, encourages these newly licensed physicians to establish a practice within the communities where they have been educated and trained.
- Residents selected into IMG-BC family medicine positions are required to complete a two-year return of service (ROS), in a health authority-identified underserved community upon finishing their residency program.
  - There are 52 of the 58 entry-level IMG-BC positions are in family medicine; the other six intake positions are in priority specialties that include psychiatry, internal medicine and pediatrics.
  - ROS placements in rural, remote, and other underserved communities support equitable access to patient care across BC.
  - As of January 4, 2023, 427 family physicians and 66 specialists have been placed in 91 communities[5].

Practice Ready Assessment BC Program

- The Practice Ready Assessment BC (PRA-BC) program offers a pathway to licensure in BC for internationally educated FPs who have completed residencies outside of Canada (see Practice Ready Assessment for Family Physicians Fact Sheet for more detail).

[5] Physician Services Branch, Health Sector Workforce and Beneficiary Services Division, Ministry of Health. IMG-BC Community Placements. Data as of January 4, 2023.

- The program's curriculum includes a two-week centralized orientation in Vancouver and participation in a 12-week Clinical Field Assessment under the supervision of a fully licensed FP in a BC community.
- PRA-BC is funded by both the Ministry and the Joint Standing Committee on Rural Issues (JSC) - a joint partnership between the Ministry and Doctors of BC.
- PRA-BC supports improved access to FPs by requiring successful applicants to provide a three-year ROS in a health authority-identified community of need.
- The JSC has committed funding for up to 16 candidates per year for rural ROS placements.
- The Ministry has committed an additional $1.15M in funding for up to 16 candidates with priority given to Primary Care Networks.
- As of December 5, 2022, 188 IMGs have successfully completed the PRA-BC Program and have been placed in 57 ROS communities across BC.[6]

LAST UPDATED

The content of this fact sheet is current as of February 15, 2023, as confirmed by Eric Larson.

APPROVALS

2023 04 17 – Eric Larson, Health Sector Information, Analysis, and Reporting Division
2023 04 18 – Martin Wright, Health Sector Information, Analysis, and Reporting Division

[6] Physician Services; Health Sector Workforce and Beneficiary Services Division. PRA-BC PM Report 221205. Data as of December 5, 2022.

LEGISLATIVE SESSION – ESTIMATES NOTE

Ambulance Paramedics and Ambulance Dispatchers Bargaining Association Collective Agreement

Topic: The Ambulance Paramedics and Ambulance Dispatchers Bargaining Association (APADBA) and the Health Employers' Association of BC (HEABC) 2022-2025 Collective Agreement.

Key Messaging and Recommended Response:

- **I am pleased that BC Emergency Health Services (BCEHS) and APBC have reached a three-year collective agreement for paramedics and emergency medical dispatchers in BC.**
- **This is great news for approximately 5,000 paramedics, emergency call-takers and medical dispatchers in our province who work tirelessly to make sure that they can provide immediate medical care to British Columbians.**
- **The three-year ratification, which goes from April 1, 2022 to March 31, 2025, includes:**
- **The ratified collective agreement includes a number of improvements:**
    - **General wage increases each year of the agreement.**
    - **A cost of living allowance in 2023 and 2024.**
    - **Increases in shift premiums:**
        - **E.g. Night shift premium increase to $2/hour and increased hours of coverage (6 p.m. – 6 a.m.)**
        - **E.g. Weekend shift premium increased to $2.25/hour for all hours between 6 p.m. Friday and 6 a.m. Monday.**
    - **Phasing out of the scheduled on-call shift pattern.**
    - **Increased DEI provisions, including work to advance Indigenous specific anti-racism efforts.**
    - **Improved benefits coverage for mental health and other items.**
- **This ratification will support several initiatives that the ministry is focused on, including improving on-call coverage and response times in rural and remote communities.**

- **The changes will be implemented over the coming months, and I extend my gratitude to everyone at BCEHS for their hard work and dedication in the service of patients throughout BC.**

CURRENT SITUATION

On February 15, 2023, employees covered by APADBA voted in favour of ratifying a three-year agreement between APADBA and HEABC for the period April 1, 2022-March 31, 2025. This agreement was negotiated under the Government's 2022 Shared Recovery Mandate.

FINANCIAL IMPLICATIONS

The 2022-2025 APADBA collective agreement represents approximately $427.2 million in annual expenditure on compensation plus the wage increases negotiated under the Shared Recovery Mandate (see below).[1]

KEY BACKGROUND

- The 2022-2025 APADBA Collective Agreement covers 4,947 employees or 3,370 Full Time Equivalents (FTEs).[2]
- Primary Care Paramedics make up about 71% of active employees.[3]
- APADBA consists of one union, the Canadian Union of Public Employees (CUPE) Local 873, which represents employees in the ambulance subsector.
- Paramedics and ambulance dispatchers work for BC Emergency Health Services (BCEHS), which is part of the Provincial Health Services Authority.
- A standalone bargaining association, the Ambulance Paramedics and Ambulance Dispatchers Bargaining Association, was established on January 18, 2018. Administrative and support staff at BCEHS who are represented by BC Government and Service Employees Union remain in the FBA.

<u>2022 Bargaining Round (Shared Recovery Mandate)</u>

Highlights of the 2022-2025 collective agreement between APADBA and HEABC are as follows:

- General wage increases (GWI):
  - Year 1 – a flat increase of $0.25 per hour, which provides a greater percentage increase for lower-paid employees, plus a wage increase of 3.24%;
  - Year 2 – 5.5% plus a potential cost-of-living adjustment to a maximum of 6.75%;
  - Year 3 – 2% plus a potential cost-of-living adjustment to a maximum of 3%.
- Targeted Universal Hourly Rate increases for specific classifications, from $0.75 to $1.25 an hour (after the above GWIs are applied).
- Shift Premiums:
  - Night shifts (18h00 to 06h00): $2.00/hour;
  - Weekends (18h00 Friday to 06h00 Monday): $2.25/hour;
  - The above premiums will apply to employees working callout shifts;
  - Alpha Paramedic Shift between 18h00 and 06h00: $3.60/hour;
  - Where applicable, employees will be entitled to multiple premiums concurrently.
- On-call wage increase to $12.00 from $2.00.
- Recruitment and Retention Initiatives:
  - An expedited job-posting process for Regular and Irregular Primary Care Paramedic positions;
  - Five days on paid sick leave for on-call employees per calendar year;

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[1] PSEC Public Sector Compensation Annual Forecast 2022 (unreleased) pg. 34.
[2] PSEC Public Sector Compensation Annual Forecast 2022 (unreleased) pg. 34.
[3] HEABC Fact Sheet Ambulance Subsector, retrieved October 1, 2019 from:
http://www.heabc.bc.ca/public/Bargaining/2019/FactSheets/FactSheetAPAD-2018.pdf

  - A Frontline Supervision Working Group jointly established by CUPE 873, BCEHS, and HEABC;
  - A provision allowing for voluntary job sharing of single full-time positions by two regular full-time employees of equal license level;
  - A joint Provincial Health Human Resources Coordination Centre (PHHRC) – Bargaining Association consultation forum on health human resources issues, including retention, mental health, and the implementation of the *In Plain Sight* report;
  - A commitment for BCEHS to phase out the Scheduled-on-Call model by March 31, 2024.
- A Regular Part-time Mix-shift to improve coverage in rural and remote locations:
  - 0.75 FTE Regular part-time positions consisting of four regularly scheduled 12-hour shifts (two 12-hour day and two 12-hour night shifts consisting of 4 scheduled working hours and 8 pager hours). The four shifts are followed by four consecutive days off.
- Indigenous Specific Anti-racism initiatives:
  - A provincial forum for dialogue on reconciliation between unions, HEABC, and Indigenous and other leaders within the health authorities;
  - Five days of paid leave for cultural events;
  - The addition of Indigenous definitions of immediate family to the terms of bereavement and cultural leaves.
- Diversity, Equity and Inclusion (DEI) initiatives
  - The establishment of a provincial DEI working group led by PHHRC and including representatives from health authorities, HEABC, and health-sector bargaining associations.

LAST UPDATED

The content of this fact sheet is current as of February 28, 2023, as confirmed by Evan Howatson, Labour and Agreements Branch.

APPROVALS

2023 03 01 - Stephanie Power obo Mark Armitage, Health Sector Workforce and Beneficiary Services Division
2023 03 09 - Peter Klotz obo Rob Byers, Finance and Corporate Services Division

LEGISLATIVE SESSION - ESTIMATES NOTE

FP and NP Primary Care Payment Models

Topic: In support of the Primary Care Strategy, the Ministry of Health introduced a number of new payment models for family physicians (FPs) with the goal of increasing patient attachment, access, and quality of care. New To Practice (NTP) and Nurse Practitioners (NPs) were introduced in 2018 to support recruitment into these positions. The Group Contract for Full-Service Family Physicians was introduced in 2020 along with a refreshed NTP contract to align with the Group Contract. In 2022, NTP incentives were introduced to recruit recent physicians who recently completed their family medicine residency into longitudinal family practice. In February 2023, the Ministry launched the Longitudinal Family Physician (LFP) payment model, developed in response to early FP retirements due to COVID-19 practice impacts, the increasing concern about the cost of operating a clinic, and compensation differentials between longitudinal family practice and other practice options for FPs.

Key Messaging and Recommended Response:

- **Over the past years, many family physicians have also told us that fee-for-service (FFS) is no longer working for primary care, either for them or for their patients.**
- **That is why we worked with the Doctors of BC and the BC Family Doctors to create the new Longitudinal Family Practice (LFP) payment model.**
- **The new model builds on the learnings of the recent FP contract models and FFS, and includes payments for:**
    - **time spent on direct care;**
    - **indirect care and clinical administration;**
    - **number of patient visits; and,**
    - **the size and complexity of a family physician's patient panel.**
- **The model compensates family physicians for time spent managing and coordinating their patient care, which we know may involve much more than the initial visit with a patient.**
- **A full time family physician practicing under the new LFP model is expected to earn approximately $425,000 in 2023/24, up from $385,000 in 2022 due to negotiated increases in the 2022 Physician Master Agreement. Time makes up the most significant portion of these earnings, followed by patient interactions, and the panel payment.**
- **The LFP payment model is seeing remarkable interest, with 2,743 physicians enrolled as of April 12, 2023.**
    - **Over 57% of whom were longitudinal family docs last year.**

- **Moreover, 240 physicians who were not in the system last year have enrolled.**

- **We also introduced the New to Practice (NTP) Incentives Program in 2022, to provide incentives such as signing bonus, medical education debt relief grant, and increased payments for overhead for physicians who have recently completed their family medicine residency program. The program has been extended into 2023/24.**
- **Between June 2022 and February 25, 2023, 120 new contracts have been signed (along with 201 additional Expressions of Interest) as part of the NTP program.**
- **We expect the percentage of family physicians participating in full-service family practice to rise significantly based on the reception we have received from doctors after introducing the new LFP model and NTP incentives.**
- **We are heartened by the remarkable progress we have made so far and will continue working with the Doctors of BC to ensure doctors have the compensation they need to do what they do best — care for patients.**

CURRENT SITUATION

- In August 2022, the Ministry launched the NTP Incentives Program targeted to new-to-practice FPs who have recently completed their family medicine residency program and wish to establish a full-service longitudinal practice. The incentives include:
  - An increased Year 1 NTP contract rate of $295,457 ($275,057 plus $20,400 for Quality Improvement per year, per FTE)
  - Clinic overhead contributions of $75,000 per year, per FTE, also included in the NTP contract
  - One-time signing bonus of $25,000 per FTE
  - One-time medical education debt relief grant of up to $50,000 per FTE in the first year of practice with potential for debt relief grants of up to $20,000 per FTE per year for years 2-5.
- Between June 2022 and February 2023, 120 FPs have signed onto the revised NTP Contract.[1]
- In February 2023, the Ministry launched the new Longitudinal Family Practice payment model. The new model provides an alternative to fee-for-service. The LFP payment model has three payment components in response to physician feedback and to support the Ministry's health system objectives. This model better supports team-based care, and the way physicians want to practice providing patient-centric longitudinal care. The three payment streams compensate for:
  - Time spent on:
    - Direct patient care services
    - Indirect patient care services
    - Clinical administration
  - The number of patient visits
  - The physician's patient panel size and complexity
- The model is built around a full-time longitudinal FP:
  - Providing 1680 hours of service annually
  - Panel size of 1250 patients of average complexity

[1] New-to-Practice Incentives Program Update Report – February 11, 2023

- Providing 5000 patient encounters annually

- A full-time FP is expected to earn $425,000 [TBC] per year, up from $385,000 in 2022 due to negotiated increases in the Physician Master Agreement. Time makes up the most significant portion of these earnings, followed by visits, and the panel payment.
- The model requires a minimum commitment of 1 day per week and 250 patients, and there is no maximum FTE, allowing individual choice to provide increased hours of service, number of consults, number of patients attached.
- As of April 15, 2023, 2,743 FPs have registered to bill under the new Payment Model. This equates to more than 1/3 of FPs identifying as longitudinal primary care providers – a remarkable and unprecedented accomplishment in a very short period of time.

LFP Registrations by Health Authority

	1 Interior	2 Fraser	3 Vancouver Coastal	4 Vancouver Island	5 Northern	Province Wide
Number of Registrants	534	839	778	470	122	2,743
Proportion by Health Authority	19%	31%	28%	17%	4%	100%

- The Ministry is currently in discussions with the Nurses and NPs of BC regarding updating the compensation options available to support NPs in primary care, which are currently limited to the service contracts or employed positions.

FINANCIAL IMPLICATIONS

Budget 2023 includes targeted funding from previous years' budgets to continue advancing the Primary Care Strategy as well as nearly $1.1 billion over three years for the refreshed Primary Care Strategy that provides a new compensation model for family practitioners, incentives to attract recent graduates into family practice, and to retain those approaching retirement.

($ millions)	2023/24	2024/25	2025/26	3 Year Total
Budgets 2018-2022	$280.3	Government Financial Information		
Budget 2023*	$399.1			
Grand Total	**$679.4**	Government Financial Information		**$1,941.9**

*Includes allocations funded from the Contingencies Vote.

KEY BACKGROUND

NTP and Group Service Contracts

- In October 2020, the Ministry introduced a new Group Contract for Practicing Full-Service Family Physicians (Group Contract for FPs), developed in consultation with the Doctors of BC. As part of the consultation process, the FP Contract originally introduced in 2018 for FPs without an existing panel (New to Practice contract) was revised to align with the new Group Contract for FPs.
- The NTP and Group Contracts require practitioners to agree to become part of a PCN in their community and to adopt the attributes of the Patient Medical Home where applicable.[2] Practitioners also commit to act as the most responsible primary care provider for a patient panel that is balanced (e.g., age, complexity). For NTP, FPs and NPs are expected to join an existing group practice or establish a group practice.
- NTP and NP Contracts panel size targets increase during the term as follows, for 1.0 FTE:
  - FPs: 800 patients in year 1 of the contract term and 1,250 patients in year 2.

[2] Patient Medical Home in BC http://www.gpscbc.ca/sites/default/files/PMH%20graphic%20%2020160920.pdf

- NPs: 500 patients in year 1, 800 patients in year 2, and 1,000 patients in year 3.

- 1.0 FTE of services is defined as:
  - 1,680 to 2,100 hours per year for FP
  - a minimum of 1,680 hours per year for NPs.

  To ensure continuity of care over the year, each FTE FP and NP may work a maximum of 90 hours over two weeks.
- For NPs the annual contract payment rates and separate overhead payment are:
  - $150,000, $155,000, and $160,000 for years 1 to 3 for 1.0 FTE; and overhead allocations of $75,000 for rural and $85,000 urban/metro communities.

Alternative Payments Program (APP)

- In addition to NTP and Group Contracts and the LFP Payment Model, the Alternative Payment Program (APP) is also available for health authorities and other agencies to engage physicians on a service contract, salary, or sessional basis in situations where the fee-for-service payment modality would be ineffective in attracting and maintaining adequate physician services. The Primary Care Strategy has leveraged this form of remuneration particularly in rural and remote communities where family physicians provide "generalist" care, meaning they work in office, but also in hospital and other settings in the community.

LAST UPDATED

The content of this fact sheet is current as of April 14, 2023, as confirmed by Shana Hall obo Shana Ooms, Jennifer Gough and Kelly McQuillen.

APPROVALS

2023 03 10 - Ted Patterson, Primary Care Division
2023 04 17 - Kerri Harrison obo Rob Byers, Finance and Corporate Services Division

LEGISLATIVE SESSION – ESTIMATE NOTE

Primary Care Attachment (Data)

Topic: Patients who are "attached" to a regular care provider, team, or place of care where there is a continuous relationship over time are more satisfied with their care and consistently show improved health outcomes, decreased mortality, and reduced health care costs, particularly for those with complex health care needs.[1,2,3] A central goal of the primary care strategy is to ensure that people in BC have access to a regular primary care provider such as a Family Physician (FP) or Nurse Practitioner (NP), and/or to a regular team of providers.

Key Messaging and Recommended Response:

- **The Province of BC has been working diligently to increase access to primary health care by supporting stronger and long lasting relationships with family doctors and nurse practitioners.**
- **While historical data from the Canadian Community Health Survey (CCHS) has shown a downward trend in attachment rates between 2003 and 2021, recent efforts have resulted in a 2.1% increase in the number of people identifying as attached between 2020 and 2021.**
- **We expect that trend to continue based on the significant changes we have made through the introduction of new compensation models to recruit and retain physicians, such as the Longitudinal Family Physician (LFP) and New-to-Practice (NTP) Incentives program, and continued funding for the Alternative Payments Program (APP) and Group practice Contracts provided in support of the strategy.**
- **To enhance the accuracy of reporting on attachment rates in BC, the Doctors of BC and the Ministry of Health are collaborating to develop and implement a new Patient Rostering system by July, where doctors will submit their patient panels to identify capacity in the system and attach patients seeking attachment to a primary care provider.**
- **This innovative approach will not only support planning but also track new attachments related to primary care initiatives.**
- **Through the primary care strategy, the Ministry has funded 2,184 clinical and administrative full-time equivalents (FTEs), including 371 FPs, 322 NPs, and 663 nurses.**

[1] Starfield, Barbara. 1992. Primary Care: Concept, Evaluation and Policy.
[2] Berry, Leonard et al. 2008. Patients' Commitment to Their Primary Physician and Why It Matters. Ann Fam Med, 6(1).
[3] General Practice Services Committee (GPSC). 2017. Evidence Summary: The Benefits of Relational Continuity in Primary Care.

LEGISLATIVE SESSION – ESTIMATE NOTE

- **As of January 2023, 263,917 British Columbians have been newly attached to a primary care provider or practice in a Primary Care Network (PCN) across all clinical service models.**
- **This reflects the Province's ongoing commitment to improving its data on attachment rates and enhancing the accessibility of primary care services for the residents of BC.**

CURRENT SITUATION

- While the Doctors of BC and the Ministry of Health work to develop and implement an "Attachment Management System", which includes a provincial patient rostering system that will enable more accurate reporting on attachment in BC, other measures are in place to estimate attachment to support planning and to track new attachments related to primary care initiatives.[4]
- The Canadian Community Health Survey (CCHS) data on attachment from 2003 to 2021 suggests an overall downward trend over time in the number of people (aged 12+) identifying as having a regular primary care provider in BC, from 89.4% in 2003 to 83.0% in 2021. Stated differently, the number of people identifying as not attached in BC has increased from 10.6% in 2003 to 17.0% in 2021.
- Of note however, between 2020 and 2021, there was a 2.1% increase in the number of people identifying as attached.[5]
- 10.1% of respondents to the 2021 CCHS indicated they were actively seeking a regular provider. When this percentage is applied to the 2021 BC population, just under 525,000 people are actively seeking a provider.[6,7]
- Patient attachment estimates using the BC Attachment Algorithm (physician billing data from MSP) show that 77.2% (4,220,504) of British Columbians were attached and 12.1% (663,598) were unattached in 2021/22. For the remaining 10.7% (585,088), the attachment status could not be determined.[8]
- Using the Attachment Algorithm, the number of people unattached to an FP/NP practice varies by health region as follows: Fraser (237,222); Vancouver Coastal (145,025); Interior (106,187); Vancouver Island (119,124); Northern (51,635). There are also 4,405 unattached residents whose health authority is unknown.[9]
- To date, through the primary care strategy the Ministry has funded 2,184 clinical and administrative full-time equivalents (FTEs), including 371 FPs, 322 NPs, and 663 nurses to close the attachment gap. As of January 2023, 65% of all funded FTEs (1,426.4) have been recruited.[10]
    - Recruitment of FPs in Primary Care Networks (PCNs) has historically been challenging; however, hiring of FPs significantly improved since the launch of the New to Practice (NTP) incentives program initiative in June 2022, with an additional 67.5 NTPs hired into PCNs across the province. The total number of FPs hired (in PCN service contracts, combined with the NTP initiative contracts) in all PCNs is 162.7 FTEs; 74% of the overall Service Plan approved total of 221.1 FP FTEs.[12]
    - Progress has been made recruiting NPs and nurses, with 227 of 324.6 FTE NPs (70% of target) and 424.9 of 670.5 FTE nurses (63% of target) hired.[12]

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[4] https://news.gov.bc.ca/releases/2022HLTH0212-001619

[5] Statistics Canada. Canadian Community Health Survey. 2021. Table 13-10-0096-16 Has a regular healthcare provider, by age group. Last accessed Feb 22, 2023.

[6] Ibid.

[7] Ministry of Health, Health Sector Information, Analysis and Reporting (HSIAR). Population data is from P.E.O.P.L.E. 2021 (BC Stats) and may differ from other Ministry estimates.

[8] Ministry of Health, HSIAR, Primary Care Acute Care and Workforce Analytics, Client Roster Database, 2021/22. Extracted Feb 17, 2023.

[9] Ministry of Health, HSIAR, Primary Care Acute Care and Workforce Analytics, Client Roster Database, Client Geography Table. Extracted Feb 17, 2023.

[10] Ministry of Health, Results Management Office, Primary Care Workforce Report - FY22/23 P10, January 5, 2023

- As part of PCN service contracts, FPs and NPs are expected to progressively grow their panels to 1,250 and 1,000 respectively over a period of two years. While registered nurses (RNs) do not attach patients, they are expected to support increased panel sizes for FPs/NPs by up to 500 additional patients.
- As of January 2023, 263,917 British Columbians have been newly attached to a primary care provider or practice in a PCN (across all clinical service models).[11]

Region	Newly Attached
Fraser	87,978
Interior	39,401
Northern	1,911
Vancouver Coastal	72,911
Vancouver Island	61,716
TOTAL	**263,917**

- The Health Connect Registry (HCR) provides information about patients needing attachment. As of January 5, 2023 (Period 10) , the HCR was live in 21 PCN communities or regions; there were 105,909 registrants on the HCR, of which 18,938 registrants have been successfully attached to a primary care provider. An additional 9,471 patients were attached in the Kamloops area using the original waitlist prototype prior to launching the HCR (totalling 28,409 attachments).[12] (See Health Connect Registry Estimates Note)

FINANCIAL IMPLICATIONS

Budget 2023 includes targeted funding from previous years' budgets to continue advancing the Primary Care Strategy as well as nearly $1.1 billion over three years for the refreshed Primary Care Strategy that provides a new compensation model for family practitioners, incentives to attract recent graduates into family practice, and to retain those approaching retirement.

($ millions)	2023/24	2024/25	2025/26	3 Year Total
Budgets 2018-2022	$280.3	Government Financial Information		
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Grand Total	**$679.4**	Government Financial Information		**$1,941.9**

*Includes allocations funded from the Contingencies Vote.

KEY BACKGROUND

- Patient attachment estimates using the BC Attachment Algorithm show a slight improvement in 2021/22 versus the previous five years, from 75.9% in 2017/18 to 77.2% in 2021/22.[13]
- Several factors influence primary care capacity and patient attachment, including increased population growth (est. 1.43% between 2019-2029), redeployment of resources to support the COVID-19 response, number of FPs offering longitudinal care (i.e., 4,129 or 58.7%), panel complexity reducing the number of patients per panel (e.g., the number of persons with major chronic conditions increased from 199,900 in 2012/13 to 289,000 in 2021/22), and an aging/retiring workforce (36.3% of FPs are 55+).[14,15,16,17]
- Through the Family Practice Services Committee, the Province is funding incentives to physicians providing longitudinal care including a Community Longitudinal Family Physician Payment (up to $12,000) to recognize the non-clinical responsibilities of longitudinal care, a new patient intake fee ($15), a one-time panel

[11] Ministry of Health, HSIAR, Primary Care Acute Care and Workforce Analytics, Medical Services Plan (MSP) Database. Extracted Feb 15, 2023.
[12] Ministry of Health, HealthLink BC, HCR – P2, up to May 26, 2022.
[13] Ministry of Health, HSIAR, Primary Care Acute Care and Workforce Analytics, Client Roster Database, 2021/22. Extracted Feb 17, 2023.
[14] Health System Performance Portal – Population Statistics 2017-2041. Last accessed April 3rd, 2023.
[15] Health System Performance Portal – Primary Care Attachment, Family Physicians and Visits. Last accessed April 3rd, 2023.
[16] Health System Performance Portal – Morbidity Profiles. Last accessed April 3rd, 2023.
[17] Ministry of Health, HSIAR, Primary Care Acute Care and Workforce Analytics, MSP Database. Extracted Feb 22, 2023.

management bonus payment ($3,000), and a Health Data Coalition Discover payment ($1,000) to support quality improvement in family practice.[18,19,20]

LAST UPDATED

The content of this fact sheet is current as of March 1, 2023, as confirmed by Shana Ooms, Kelly McQuillen, and Jennifer Gough.

APPROVALS

2023 04 06 - Eric Larson obo Martin Wright, Health Sector Information Analysis and Reporting Division.
2023 04 13 - Kerri Harrison obo Rob Byers, Finance and Corporate Services Division
2023 04 24 – Ted Patterson, Primary Care Division

[18] https://gpscbc.ca/sites/default/files/uploads/2021-Community-Longitudinal-Family-Physician-Payment-CLFP%20Payment-FAQ.pdf
[19] https://gpscbc.ca/news/what-we-do/incentives/new-fees-support-team-based-care-coordination-of-care-and-new-patient
[20] https://gpscbc.ca/what-we-do/system-change/panel-management

LEGISLATIVE SESSION - ESTIMATES NOTE

Primary Care Strategy Overview

Topic: The Ministry of Health launched a transformational team-based primary care strategy in 2018/19 to fundamentally change the way primary care is delivered. The intent of the strategy is to increase patient attachment and access to quality, comprehensive, culturally safe, and person-and family-centred primary care services. After ongoing analysis and reviews of progress to date, the province sought to refresh the strategy in fall of 2022 and this work is well underway.

Key Messaging and Recommended Response:

- **The Ministry is making excellent progress in the implementation of our 2018 team-based Primary Care Strategy.**
- **Through this strategy, our government is aiming to provide between 26,400,000 and 29,000,000 patient encounters through longitudinal and episodic primary care each year over the next three years, with an increasing focus on longitudinal care.**
- **A new digitally enabled provincial attachment management system, launching in July 2023, is being developed to facilitate more effective patient attachment.**
- **Several compensation and incentives initiatives are introduced to support the recruitment and retention of family physicians in longitudinal primary care, including the Longitudinal Family Practice Payment Model, New to Practice Incentives Program, and Retention Incentives Program.**
- **A total** Advice/Recommentations **has been committed so far to support team-based models of care through Primary Care Networks (PCNs) under the Strategy, including funding for annual operating costs, capital, start-up costs, and change management costs.**
- **The Ministry aims to have approximately 99 PCNs in implementation by April 2025, covering the majority of BC's communities.**
- **As of January 2023, 1,426 full-time equivalents (FTEs) have been hired out of 2,183.9 approved resources into over 260 clinics and regional hubs, with various roles including Family Physicians, Nurse Practitioners, Registered Nurses, Allied Health Professionals, Indigenous Providers, Clinical Pharmacists, and Program Administrators.**

LEGISLATIVE SESSION - ESTIMATES NOTE

- **Budget 2023 includes targeted funding from previous years' budgets to continue advancing the Primary Care Strategy as well as nearly $1.1 billion over three years for the refreshed Primary Care Strategy that provides a new compensation model for family practitioners, incentives to attract recent graduates into family practice, and to retain those approaching retirement.**
- **The Strategy focuses on expanding team-based primary care through various clinical models like Patient Medical Homes, Urgent and Primary Care Centres, Community Health Centres, First Nations Primary Care Clinics, and Nurse Practitioner Primary Care Clinics, all connected through PCNs.**
- **The refreshed Strategy addresses the increasing problem of access to Family Physicians, with measures such as short-term stabilization funding and a new payment model for family doctors.**
- **We look forward to demonstrating continued success in changing the way primary care is delivered in our province.**

CURRENT SITUATION

Primary Care Strategy Implementation as of January 2023

- The primary and community care strategy (the Strategy), now in its fourth year of implementation, is being refreshed based on learning and experience of participating partners over the past several years.
- A key priority in the refreshed Strategy is to provide between 26,400,000 and 29,000,000 patient encounters through longitudinal and episodic primary care in each year over the next three years, with 70% longitudinal care for the first two years and 90% longitudinal care in the third year.
- Another major element of the refreshed primary care strategy will be more effective approach to patient attachment through the development of a digitally enabled provincial attachment management system (rostering) expected to launch in July 2023, which will include:
  - A new and improved solution for patients seeking to be attached to register themselves and their families.
  - A mechanism by which family physicians, nurse practitioners and their clinics will provide patient panel data to the Ministry so that we know who is attached in the province.
  - A clinic and provider registry that will support a better understanding of service capacity in our communities.
- The refreshed strategy will be supported by a number of major compensation and incentives initiatives intended to support recruitment and retention of family physicians in longitudinal primary care. They include:
  - the new Longitudinal Family Practice Payment Model (launched in February 2023),
  - the New to Practice Incentives Program (launched in August 2022) and
  - a Retention Incentives Program (under development).
- The Strategy will continue to include a focus on culturally safe, team-based primary care deployed through a range of different clinical models (family practices, Urgent and Primary Care Centres [UPCCs], Community Health Centres [CHCs], Nurse Practitioner Primary Care Clinics [NPPCCs], First Nations Primary Care Clinics [FNPCCs], and more), all working together as part of local Primary Care Networks (PCNs).

- As of January 2023, the Ministry has committed a total of $562M to support these team-based models of care and the PCNs under the Strategy, including $389M in annual operating costs, $104M in capital, $33M in one-time start up costs and $36M in change management costs.
- Of this, approximately $245M supports annual operating costs for 63 PCNs currently in implementation.[1] The Ministry's target is to have approx. 99 PCNs in implementation by April 2025 covering most of BC's communities.

- As of January 2023, through the various initiatives underway under the strategy 1,426 full-time equivalents (FTEs) have been hired out of 2,183.9 approved resources into over 260 clinics and regional hubs across the province.[2] This includes 272.1 FTE Family Physicians (FPs), 227 FTE Nurse Practitioners (NPs), 428.5 FTE Registered Nurses (RNs), 311.7 FTE Allied Health Professionals (AHPs), 36.5 Indigenous Providers, 44.5 Clinical Pharmacists, and 106.1 Program Administrators.[3]

FINANCIAL IMPLICATIONS

Budget 2023 includes targeted funding from previous years' budgets to continue advancing the Primary Care Strategy as well as nearly $1.1 billion over three years for the refreshed Primary Care Strategy that provides a new compensation model for family practitioners, incentives to attract recent graduates into family practice, and to retain those approaching retirement.

($ millions)	2023/24	2024/25	2025/26	3 Year Total
Budgets 2018-2022	$280.3	Government Financial Information		
Budget 2023*	$399.1			
Grand Total	**$679.4**	Government Financial Information		**$1,941.9**

*Includes allocations funded from the Contingencies Vote.

KEY BACKGROUND

- In 2018/19, the Government launched the Primary and Community Care Strategy. The Strategy focused on expanding the use of team-based primary care and establishing it as the new model of care delivery in the province. The goal was to increase patient attachment and access to quality, comprehensive, culturally safe and person and family-centred primary care services.
- The Strategy funded the addition of new FPs, NPs, registered nurses, pharmacists, mental health and addictions workers, physiotherapists, dietitians, and other allied providers, as well as Indigenous supports such as traditional healers and elders delivering patient care. It also supported a range of clinical models including full-service family practices/Patient Medical Homes (PMHs), UPCCs, CHCs, FNPCCs and NPPCCs. Both existing and new clinical models have been linked together in PCNs throughout the province.
  - PMHs are family practices that provide longitudinal primary care to patients across the province. PMHs are the foundation of care delivery within PCNs—the cornerstone of an integrated system of primary and community care.
  - UPCCs provide flexibility to meet both the urgent unplanned and ongoing planned primary care needs of people in communities across the province. UPCCs fulfill service gaps and are full-service team-based care facilities which provide urgent, non-emergency primary care to people who need medical attention within 12-24 hours. UPCCs also provide temporary and/or ongoing attachment to patients who do not currently have a regular care provider, and then work to attach patients elsewhere as capacity opens within a broader PCN. UPCCs offer extended hours and increased attachment for under-served populations.
  - CHCs include health authority owned and operated, or community governed/informed, and/or Ministry funded clinics. Ministry-funded CHCs are multi-sectoral health and social service not-for-profits providing primary health care. CHCs also prioritize the attachment of vulnerable and under-served communities, and are a key resource in helping to address social determinants of health.

[1] Ministry of Health, Results Management Office, Primary Care Workforce Report - FY22/23 P10, January 5, 2023
[2] Ministry of Health, Results Management Office, Primary Care Workforce Report - FY22/23 P10, January 5, 2023
[3] Ministry of Health, Results Management Office, Primary Care Workforce Report - FY22/23 P10, January 5, 2023

  - FNPCCs are First Nations-led initiatives developed in partnership with the Ministry and First Nations Health Authority (FNHA). They deliver team-based culturally safe primary health care and improve coordinated access to social services for First Nations and Indigenous peoples living in BC. FNPCCs combine both Western and Indigenous approaches to health and wellness, and incorporate and promote First Nations' knowledge, beliefs, values, practices, and models of health and healing, recognizing that these may be reflected uniquely in the different Nations and communities across BC.
  - NPPCCs are a unique model developed by NPs. The model sees NPs working within a collaborative, team-based environment, both within their practice and as part of the local PCN. NPPCCs are an innovative solution to support communities who may have difficulty accessing a regular primary care provider.
- While real progress had been made in increasing access to team-based primary care services, access to FPs has been increasingly problematic. Underpinning this was the inadequate numbers of new graduates choosing full-service family practice combined with an increasing number of full-service family physicians choosing to retire. The result was an increasing number of BC residents having difficulty attaching to a primary care provider (i.e., FP or NP) and in some instances even accessing primary care in a timely way.
- In 2022, in collaboration with health care partners, the Ministry took steps to refocus the Strategy to better address issues that were affecting the number of FPs in family practice, the cornerstone of longitudinal primary care, or limiting access to urgent and episodic care provided by UPCCs, walk-in clinics, community pharmacies and virtual care services.
- In addition, in August 2022, the Ministry and Doctors of BC announced $118M in short-term stabilization funding to family doctors, to help them ensure their patients continued to receive access to primary care services, while a new payment model was developed (Family Practice Services Committee [FPSC] provided $43M of this funding).
- Mandate letter (Dec 2022) asked Minister to "increase the number of British Columbians with access to a doctor by recruiting and supporting more family doctors with the new payment model for family physicians, building new First Nations primary care centres, and building on other methods of delivering health care at the community level in partnership with medical professionals."

LAST UPDATED

The content of this fact sheet is current as of March 6, 2023 as confirmed by Jennifer Gough and Kelly McQuillen.

APPROVALS

2023 03 10 - Ted Patterson, Primary Care Division
2023 04 17 - Kerri Harrison obo Rob Byers, Finance and Corporate Services Division

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2023/24 ESTIMATES NOTE

Last updated Date: March 2, 2023

PREMIER'S HOUSING SOLUTIONS ADVISOR

KEY MESSAGES:

- Lisa Helps was a two-term Mayor for the City of Victoria, where lack of affordable housing is a key challenge. She was instrumental in the creation of a comprehensive Housing Strategy for Victoria.
- While there is considerable expertise in the Ministry on housing policy and related technical issues, the Special Advisor will complement that talent with significant "on the ground" experience of bringing affordable housing projects to completion in her 8 years as Mayor.
- Ms. Helps will focus on providing advice to assist in establishing BC Builds, which will be a complex undertaking. The emphasis of BC Builds will be on working with municipalities and other partners to advance housing projects for middle-income British Columbians.
- Her experience with working through the financial challenges and municipal approval processes that arise as projects proceed will be very valuable to us as we formulate the governance model and mandate of BC Builds.

FINANCES:

- Ms. Helps is on a six-month contract, at a cost of $80,000. Any questions about the contract should be directed to the Premier's Office, as it is funded out of its budget.

STATISTICS:

- The HousingHub, which may serve as a model for BC Builds but has limited tools, has had some success in creating more affordable private sector units for the middle class - with a target of 8,800 units by 2027/28, ~3,300 are completed and another ~1,000 are under construction as of Dec. 31, 2022. The vast majority are rentals.

BACKGROUND:

- Lisa Helps became the Mayor of Victoria in 2014 and was sworn into office for her second term on November 1, 2018. She chose not to run for a third term in 2022.
- Her appointment as Special Advisor on Housing was announced on January 26, 2023, with her main focus being on providing policy guidance as the government works towards the establishment the BC Builds component of the Housing Strategy.

- Two other special advisors were also recently announced: Dr. Penny Ballem for health and Doug White for Indigenous reconciliation.
- Phase 2 of Victoria's Housing strategy was released in 2019 and updated in 2021.
- Establishing BC Builds is a priority in the Minister of Housing's mandate letter: "Establish BC Builds to build housing for middle-income families, individuals, and seniors."
- The Premier's leadership platform stated the following re BC Builds:
    - *Work with First Nation and city governments, and private and non-profit partners, in both urban and rural areas to offer rapid approvals, increased density, land, and construction financing to deliver multi-family housing developments that can offer attainable middle-class housing for a range of incomes, both rental and purchase.*
    - *Using tools like upzoning select parcels in participating partner municipalities, in combination with government's favourable lending rates, and matched with expedited approvals - and for some projects public land - will result in significant savings directed to further reduce the costs of housing for the people living in those units.*
    - *These units will be accessible to B.C. residents only with eligibility determined by working with partnering municipalities to determine local priorities.*
    - *Affordability must be built-in long term for all projects, including when homes are sold-options include co-op structures, community land trusts, and shared equity partnership models.*
    - *Major review of all Provincial assets/lands that can be levered to build housing people can afford and ensure lands are dedicated to these purposes*.

- There are many commonalities between the vision for BC Builds and what BC Housing's HousingHub already does (i.e., focusing on partnerships with private developers to build more affordable middle class housing, negotiating the removal of barriers by acting as a facilitator between developers and local governments to increase density, reduce parking requirements, waive fees, as well as providing low cost interim construction period financing from the HousingHub's $2 Billion borrowing facility established by government).
- The HousingHub's tools are limited, as it does not provide equity contributions, long term mortgages, only limited access to provincial land through the CITZ property inventory, and only has a staff complement of 13 FTEs.
- Advice/Recommentations

Contact: Bindi Sawchuk, ADM, Housing and Land Use Policy Division	Mobile: Government Financial Information

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2023/24 ESTIMATES NOTE HOUSINGHUB

Last update Date: March 6, 2023

KEY MESSAGES:

- 2018's *Homes for BC: A 30-Point Plan for Housing Affordability in British Columbia* represented the single largest housing investment in B.C.'s history.
- As a key initiative in the 30-Point Plan, the HousingHub works with community, government, non-profit, and Indigenous partners to facilitate the creation of new affordable rental housing and homeownership options for middle-income British Columbians.
- Partners bring low-cost financing, project coordination, expertise, and access to predevelopment funding to the table.

FINANCES:

- No additional budget allocated in Budget 2023 for HousingHub.
- Budget 2022 provided $8.0 million to support HousingHub's project development capacity.
- Approximately $2.7 million in funding will be provided in 2023/24 to increase HousingHub staffing.
- Budget 2021 provided $2 billion to increase HousingHub's debt limit.

STATISTICS:

- As of December 31, 2022, there are 6,566 units* in various stages of development under HousingHub programs. *Note: Total includes projects in initiation phase which are public knowledge through announcements or municipal processes but have not yet received final BC Housing approval.*
- 5,879 of those units are under the Provincial Rental Supply Program and 687 are under the Affordable Home Ownership Program.
- HousingHub's bolstered resources are anticipated to facilitate the creation of approximately 9,000 new homes.

BACKGROUND:

- HousingHub provides low-interest rate financing to encourage developers and community groups to build new affordable units.
- In return, developers commit to pass these construction-cost savings onto the tenants and prospective homeowners. Loans are repaid upon completion of construction.
- Two programs are delivered through HousingHub:
  - Provincial Rental Supply Program, which aims to increase the supply and range of affordable rental housing
  - Affordable Home Ownership Program (AHOP), which offers qualified purchasers second participating mortgages that are interest- and payment-free for up to 25 years.
- HousingHub projects target middle-income households with an average annual household income under $99,000 per year, or with incomes ranging from 25th to 75th income percentiles.
- BC Housing continues to strengthen HousingHub program design to address identified gaps (i.e. short-term rentals being offered in HousingHub financed projects).

Contact: Bonnie Ruscheinski, a/Exec Lead, SGA Division	Mobile: Government Financial Information

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2023/24 ESTIMATES NOTE

Last updated Date: March 30, 2023

RENTAL PROTECTION FUND

KEY MESSAGES:

- The Province is investing $500 million in a new Rental Protection Fund dedicated to protecting tenants and preserving affordable rental housing in British Columbia.
- The Fund will provide one-time capital grants to non-profit housing organizations so they can purchase affordable residential rental buildings and ownership co-operatives to protect the renters who are living there and safeguard these units from speculation and redevelopment.
- The Fund will be managed by an external entity, the Housing Acquisition Fund Society (publicly known as the Rental Protection Fund Society), a partnership among the BC Non-Profit Housing Association, the Co-operative Housing Federation of BC, and the Aboriginal Housing Management Association.
- The Fund will be operational this summer.

FINANCES:

- Government has committed $500 million to establish the Rental Protection Fund. The Society will provide grant to non-profits to acquire properties, invest the balance of the principal amount and use interest earned to fund operations, up to a maximum of $2.2M per year for three years (term of agreement). Any additional interest earned will be reinvested into the fund to preserve rental units.

STATISTICS:

- Between 1991 and 2020 approximately 112,000 purpose-built rental units were either converted to more expensive rental units or redeveloped as condos, resulting in only about 11,000 more net-new purpose-built rental units (6 per cent) over about 30 years, for a 2021 total of about 197,000 units. As a result, during that time, the net number of purpose-built rentals has barely changed over that period.
- Over the same period, B.C.'s population has grown by 1.8 million persons, (53 per cent) and the number of renter households in B.C. grew by approximately 152,000 (34 per cent).
- There are eight housing co-operatives in Greater Vancouver created under federal funding programs whose tenants are at risk because their leases on privately-owned land expire in 2030 and 2031.

BACKGROUND:

- The Province is investing $500 million in this new Fund to provide one-time capital grants to non-profit housing organizations to help preserve affordable rental housing.
- Recent years have seen an increase in purpose-built rent rental construction in B.C., however much more is needed. Further, destruction of the existing stock of older units is an issue.
    - A BC Housing report shows that 2022 had the highest number of new purpose-built rental units on record. A total of 14,546 rental units were registered last year, which is a 10 per cent increase from 2021. In 2012, fewer than 2,000 new rental units were built.
- In addition to building more affordable rental housing, the Province must also protect current tenants and affordable rental housing options that already exist. The Fund will help non-profits secure older rental buildings and protect vulnerable renters from owners who in some cases may drive up rents and evict tenants from their homes.
- The Fund will be administered by the Housing Acquisition Fund Society, which is governed by a Board consisting of the heads of the three organizations that comprise the Society: the BC Non-Profit Housing Association, the Co-operative Housing Federation of BC, and the Aboriginal Housing Management Association. An Investment Advisory Committee, the CEO, and financial and technical staff of the Society will work with the Board to ensure the proper due diligence on acquisitions is undertaken.
    - The Society will provide funding to non-profit housing organizations to help them acquire buildings at risk of redevelopment or significant rent increases.
    - BC Housing has estimated that about 2,000 units can be purchased by the fund, with each purchase being funded in part by equity from the Fund and in part by mortgage funding. The Province has no obligations beyond providing the $500 million in one-time funding.
- The contribution agreement with the Society has been signed by both parties on March 29, 2023. It includes both eligibility criteria (what the Society has to do to get the money) and stipulations (what it has to do to keep the money), which will cover governance and related criteria to ensure that the appropriate accountability mechanisms are in place to ensure proper value for the money. The Fund will begin accepting applications this summer.

Contact: Roxanne DeSouza, Senior Policy Analyst, HPB	Mobile: Government Financial Information

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2023/24 ESTIMATES NOTE

Last updated Date: March 21, 2023

BC BUILDS CURRENT STATUS

KEY MESSAGES:

- As part of government's Housing Strategy, we are developing "BC Builds" to create more housing for middle income earners using the tools government has at its disposal, such as potential low-cost financing, access to provincial lands, equity contributions, and facilitating strategic partnerships.
- BC Builds will work with key partners, such as First Nations, developers, non-profits, and local governments, while leveraging new tools and resources that have not been available to these parties in the past.
- We understand that these activities bear a lot of similarities to BC Housing's HousingHub, which also facilitates more affordable market housing, but exactly what form BC Builds will take is still under discussion as our vision is to go beyond the current HousingHub mandate.

FINANCES:

- There is no funding allocated for BC Builds in Budget 2023 as its mandate is still being developed.
- The HousingHub has a staff of about 13 FTEs, with some vacancies within BC Housing.
- HousingHub has access to a "borrowing facility" of $2 billion through the Ministry of Finance, to make construction loans to private sector builders which are repaid upon completion, at which time the developer obtains a long-term mortgage. When the loans are paid back, that funding can then be lent for new projects and in that sense, it is a "revolving credit facility."

STATISTICS:

- Recent estimates from BC Housing are that since 2018, the HousingHub has 6,500 units (mainly rentals) completed or underway as shown below. About 700 of those units are owner-occupied under the HousingHub's *Affordable Home Ownership Program* (AHOP).

Housing Hub Unit Progress as of Dec. 31, 2022

Target	Total	Completed	Under construction	In development[1]	Initiated[2]
8,800	6,566	3,329	970	1,183	1,084

[1] Projects "In development" are those that have received Provisional Project Approval (PPA)

[2] Projects "Initiated" have been publicly announced through a communications news release but have not been approved yet or have been submitted for TB Risk Assessment or internal approval

- Income eligibility for units with less than two bedrooms: Middle-income households are those whose gross household income does not exceed the 75th income percentile for families without children, as determined by BC Housing (currently $126,050).

- Income eligibility for units with two or more bedrooms: middle-income households are those whose gross household income does not exceed the 75th income percentile for families with children, as determined by BC Housing (currently $182,870).

BACKGROUND:

- The BC Builds component of Premier Eby's leadership platform emphasized:
    - Working with partners to offer rapid approvals, increased density, land, and construction financing to deliver multi-family housing developments for the middle class, for both rental and purchase.
    - Using tools like upzoning and government's favourable lending rates, matched with expedited approvals - and for some projects public land to further reduce the costs of housing.
    - Affordability must be built-in long-term for all projects, and options include co-op structures, community land trusts, and shared equity partnership models.
    - Major review of all provincial assets/lands that can be levered to build housing people can afford and ensure lands are dedicated to these purposes.
- Similarities to HousingHub include:
    - **Working with a range of partners** - HousingHub works with community, government, non-profit, and private-sector stakeholders to facilitate the creation of new affordable rental housing and homeownership options for middle-income British Columbians, for both rental and affordable home ownership.
    - **Providing financing, access to land and equity** - Through private and community partnerships, and leveraging the expertise of BC Housing staff, HousingHub can provide low-cost financing, access to land, and low-capital equity.
    - **Targeted to middle-income** - Combined gross household income of all individuals on title is not to exceed the applicable "Middle-Income Limit."
- Lisa Helps has been named Special Advisor on Housing to advise on the implementation of BC Builds, working the HOUS staff and the Housing Project Board. There is considerable work to do on defining the model, mandate, and tools for BC Builds.
- The Ministry of Citizens Services is working on reviewing provincial titled lands (mainly urban areas) that could be suitable for housing. Note that BC Housing already uses the CITZ inventory (i.e., the *Property Inventory Management System* or "PIMS") to identify available land owned by provincial agencies that may be suitable for housing, but there are data gaps.

Contact: John Thomson, Executive Lead, Housing Innovations	Mobile: Government Financial Information

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2023/24 ESTIMATES NOTE ENCAMPMENTS

Last updated Date: April 5, 2023

KEY MESSAGES:

- Encampments and homelessness continue to grow, and have worsened due to compounding affordability, toxic drug, and housing crises, resulting in people sheltering unsafely in urban and rural areas across the province.
- We are working across ministries, with all levels of government and partnering with communities so that people sheltering in encampments stay safe, healthy, and connected to supports so they can move to suitable housing.
- The Ministry of Housing is leading the development of an Encampment Response Framework to ensure a person-centred and Housing First plan is in place to address and prevent encampments across the province through Budget 2022/23 and 2023/24 investments.
- Budget 2023 invests $217 million, on top of previous investments, to provide safety and wellness supports for people sheltering in encampments, and to create regional coordinated outreach teams with temporary shelter options to help people leave encampments and transition to stable housing.
- Providing immediate supports to people in encampments and helping them move to indoor spaces and housing sooner prevents large, unsafe encampments from growing.

FINANCES:

- $217 million in new funding for the Homeless Encampment Action Response for Temporary Housing (HEARTH), which includes funding for emergency housing, shelter options, and immediate coordinated supports to assist people in encampments or those sheltering in public spaces.
- $1.5 million in new funding for Provincial Homeless Encampment and Action Response Teams (HEART), which will establish regional multidisciplinary teams for rapid response to encampments and is based on the award-winning model in Greater Victoria.
- Through Budget 2022 the Province is invested $4 million over 3 years for emergency encampment supports to help people survive without shelter, provide them with essential items like food and water, and support to survive extreme weather throughout the year including fire safety supplies and education to decrease preventable deaths.

STATISTICS:

- So far in 2023, the Ministry has been alerted to more than 1400 people sheltering in 25 encampment areas across the Province.
- In 2022, the Ministry tracked 2,315 people in 40 encampment locations.

- The 2020/21 Point-in-Time Homeless Count showed 8,655 people experienced homelessness on a given night – of which 65 percent were unsheltered.
- $625,000 of the 2022/23 Encampment Support Funding was used to provide outreach supports to areas in highest need. Funding was also used to distribute $100,000 in fire safety items to 16 priority communities in all regions across BC. An additional $203,000 funded warming supplies, and $375,000 went towards on staffing, security, food, a warming bus, and sanitation.

BACKGROUND:

- Significant active encampment areas currently include:
  - Victoria: More than 300 people sheltering at night across various spaces.
  - Vancouver: 92 people sheltering along Hastings Street who are in need of housing, approximately 30 people at CRAB Park (fluctuates depending on the season), in addition to other overnight sheltering across city parks.
  - Abbotsford:
    - Lonzo Road: 30 people (but can grow to more than 100 people seasonally).
    - Bradner Rest Stop: 28 vehicles and unknown number of people.
    - Whatcom Road: 16 people.
    - Cole Road: 14 vehicles and unknown number of people.
  - Nanaimo: Ongoing issues with people sheltering in various parks and city spaces.
  - Cowichan: Estimated more than 100 people in numerous small encampments.
  - Fraser Valley: Numerous reports of encampments on municipal and crown land.
  - Kelowna: Multiple encampments across city parks and spaces.
  - Prince George:
    - Moccasin Flats continues to see about 6 people and 8 structures.
    - Millennial Park is seeing 7 people and 6 structures.
- Recent court decisions on encampments:
  - Beacon Hill Park: The Province's appeal of a BC Supreme Court ruling that determined Charter Rights would not be considered in the question of whether sheltering was permitted in Beacon Hill Park through the Trust under which it was managed by the City of Victoria was dismissed February 21, 2023.

Contact: Meghan Will, A/ADM HPSHD	Mobile: Government Financial Information

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2023/24 ESTIMATES NOTE

Last updated: April 5, 2023

DOWNTOWN EASTSIDE ENCAMPMENTS

KEY MESSAGES:

- Homelessness continues to grow in Vancouver, and the Downtown Eastside faces increased pressure from the impacts of gentrification, displacement, poverty and compounding pandemic, toxic drug, and housing crises.
- Large encampments are increasingly common in the Downtown Eastside; the encampment that emerged along Hastings Street in the summer of 2022 was one of the most concerning due to its location and multiple safety issues for those sheltering there and the surrounding community.
- The current situation in the Downtown Eastside is not working for anyone - the Ministry of Housing is leading the development and implementation of the Supporting the Downtown Eastside: Provincial Partnership Plan to address immediate safety concerns and support the long-term health, safety, vibrancy, and unique culture of the neighbourhood.
- The Provincial Plan takes a coordinated and integrated cross-government and community partner approach that will create a collaborative services hub and outreach model, increase health, substance use, mental health, income, social and community supports, and expand options for shelter and housing – including supportive housing, Single Room Occupancy and Supported Rent Supplements.
- Budget 2023 provides $218 million for the creation of regional Homeless Encampment Action Response Teams and Homeless Encampment Action Response for Temporary Housing to rapidly deliver integrated supports and services from multiple ministries and agencies and deploy shelter and temporary housing options while permanent options are underway, in communities across B.C.
- Budget 2023 also provides for the development of a Provincial Encampment Response Framework, which will build on best practices identified through Downtown Eastside encampment responses to respond to and prevent encampment entrenchment across the Province.

FINANCES:

- Budget 2023 provides:
    - $216.6 million in new funding for the Homeless Encampment Action Response for Temporary Housing (HEARTH), which includes funding for emergency housing, shelter options, and immediate coordinated supports to assist people in encampments or sheltering in public spaces.

  - $1.5 million in new funding for the new Provincial Homeless Encampment and Action Response Teams (HEART), which will establish regional multidisciplinary teams for rapid response to encampments and is based on the award-winning model in Greater Victoria.
  - 5 FTEs for Ministry of Housing, 4 FTEs for Ministry of Health, and 40 FTEs for BC Housing to support encampment work, including development of the Provincial Encampment Framework, Supporting the Downtown Eastside Plan development and implementation, and HEARTH/HEART implementation and operation.

- Through Budget 2022, the Province invested $4 million over 3 years for emergency encampment supports to help people survive without shelter, provide them with essential items like food and water, and support to survive extreme weather throughout the year including fire safety supplies and education to decrease preventable deaths.

STATISTICS:

Intergovernmental Communications

BACKGROUND:

- Vancouver's DTES is an important neighbourhood as a place of belonging for low-income people to have a safe, healthy home, and has a unique history and culture characterized by resilience, advocacy and community resistance.
- The East Hastings encampment first emerged in summer 2022 and grew steadily. Significant concerns around safety and violence culminated in late July 2022 when Vancouver Fire and Rescue Services issued a Fire Order to remove tents and structures along East Hastings Street due to imminent structure and life safety dangers.
- The Province worked with partners including BC Housing, the City of Vancouver, Office of the Fire Commissioner and community organizations to implement people centred best practices for responding to the encampment that are collaborative, coordinated and culturally appropriate, while acting quickly to address concerns around safety.
- On April 5, 2023, the City of Vancouver initiated a major decampment of structures along Hastings Street.
- The response to the encampment focused on the provision of indoor spaces and permanent housing, and leveraged existing outreach services through Vancouver Coastal Health, SDPR, community organizations, and City of Vancouver staff to ensure people in the encampment have access to supports and are connected to services and resources.
- The Province recognizes the unique pressures and culture of the DTES and the efforts of community members, service providers, and people with lived experience who have stepped up to work together to help unhoused neighbours, but it is clear that Provincial leadership is needed to ensure proper resourcing, coordination and accountability.
- A person-centred, culturally-informed approach informed by distinct needs continues to guide the development of the Supporting the DTES Plan, in partnership with relevant ministries, the City of Vancouver, BC Housing, First Nations government, local community organizations, Indigenous organizations, and members of the DTES community, including residents, the business community, and people living in the encampments.

Contact: Meghan Will, A/ADM, HPHSD	Mobile: Government Financial Information

Confidential

2023/24 ESTIMATES NOTE

Last updated Date: March 3, 2023

STRATA RENTAL AND AGE-RESTRICTION BYLAWS

KEY MESSAGES:

- The Province regularly updates strata legislation to serve the public interest and meet the needs of the strata community.
- Government must balance different interests to address the housing crisis and support the strata community, which includes both owners and renters. Stratas are also an important housing type for young families and individuals.
- No single action will address the housing crisis, it will take all levels of government and many different partners working together.
- To increase access to strata housing, as of November 24, 2022, the Province ended all strata rental-restriction bylaws and limited age-restriction bylaws to 55+.
- There were about 2800 owners of strata units that claimed a Speculation and Vacancy Tax exemption (mainly in the Lower Mainland and Capital Regional District) based on their building having rental restrictions, implying that a good number of these would be rented in the absence of such restrictions.

FINANCES:

- Any questions related to the Province's Speculation and Vacancy Tax (SVT) need to be directed to the Minister of Finance. ***Prior to the 2022 tax year***, strata owners in a strata corporation with a with rent-restriction bylaw could qualify for an exemption to the SVT.
- This issue will continue to be handled by ministry staff assigned to strata legislation and issues.

STATISTICS:

- B.C. has the highest per capita rate of strata residency in Canada.
- Strata housing is also an important source of secondary rental stock in B.C. According to the 2016 Census, there were about 670,000 renter households in the province, with about 20% of these renter households residing in residential strata properties.

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BACKGROUND:

- Strata corporations can now apply to the Residential Tenancy Branch (RTB) to end a tenancy if a tenant has repeatedly violated significant strata bylaws and the landlord is unable or unwilling to address the issue with the tenant.
- HOUS staff are currently working on regulations that would allow owners or tenants to continue to stay in their homes, if they were living there prior to a new 55+ age-restriction bylaws being passed, and they were to have children after the bylaw was passed.

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2023/24 ESTIMATES NOTE

Last updated Date: April 3, 2023

ERNST & YOUNG REPORT AND IMPLEMENTATION PLAN

KEY MESSAGES:

- Government and BC Housing are using the findings in the Ernst & Young Report to clarify governance roles, structures, and processes and to provide more detailed policy direction on program outcomes, and to create greater collaboration between government and BC Housing to integrate strategic policy direction with program design and delivery.
- The Ministry of Housing, established in December 2022, allows more focus on moving forward government's agenda on housing and aligns with the findings and recommendations of the Ernst & Young report.
- BC Housing has been working collaboratively with Government since the report was finalized to identify immediate and near-term actions that could be implemented before March 31, 2023.
- Working in collaboration with the Ministry of Housing and the Crown Agencies Secretariat, BC Housing has begun the process of transforming its business and identified a number of recommendations that could be addressed before March 31, 2023.
- Both BC Housing and Government are developing implementation plans to address the recommendations.

FINANCES

- The costs associated with the implementation of the Ernst & Young recommendations have not yet been determined. The Ministry and BC Housing are currently assessing the fiscal impacts of implementation.

BACKGROUND:

- In 2021, the Government of British Columbia retained Ernst & Young to review BC Housing's organizational capacity and financial systems in light of the expansion of BC Housing's mandate and budget.
- Released in June 2022, the review identified opportunities to gain efficiencies and expand capacity within BC Housing to match the organizational growth over the past few years both in its mandate and budget. Findings in the review also outline recommendations for BC Housing's overall service delivery and accountability structures.

- As at March 31, 2023, BC Housing and Government, through the Ministry of Housing and the Crown Agencies Secretariat, have already taken steps to improve governance structures and oversight.

- BC Housing has:
    - developed clear Terms of References that clarifies the scope and accountabilities of Executive Committee (EY Recommendation #1-6);
    - invited the Deputy Minister of Housing to attend BCH Board meetings as an observer to improve communication between BC Housing and government (EY Recommendation #1-4);
    - approved documented requirements for delegation of financial authority by the Board of Commissioners to management (EY Recommendation #1-8);
    - updated its policy and procedures to ensure that, when acquisitions and disposals vary from market value appraisals, they remain within acceptable levels of variance (EY Recommendation #1-12);
    - re-organized Executive Committee meetings and agenda to be consent based to allow for dedicated time for strategic issues and discussion; standing items for strategic priorities such as Reconciliation, Business Transformation have also been added. Each area within BCH to table monthly reports on their performance which will be used to build performance dashboard (EY Recommendation EY 2-2);
    - created a new separate IT branch, with the head of the branch to report directly to the CEO, to lead digital transformation, support business integration, and better align structure and capacity (EY Recommendation #2-7);
    - developed and mapped various mitigation strategies to address difficult recruitments (EY Recommendation 3-2);
    - improved its control processes to ensure that subsidy payments to non-profit providers are made only after operating agreements have been fully authorized (EY Recommendation #5-11).
- The government has:
    - appointed a new Board of Commissioners for BC Housing;
    - created a stand-alone Ministry of Housing, with a work team dedicated to supporting the oversight and governance of BC Housing;
    - approved additional resources for BC Housing to increase organizational capacity and support their goals of business transformation;

- established a joint-executive table with other supporting working tables to improve communication and alignment between the Ministry and BC Housing;
- implemented a quarterly reporting framework with BC Housing to allow for tracking and oversight of financial and progress metrics;
- partnered with BC Housing to lower the approval threshold for capital projects seeking endorsement from BC Housing's executive committee, to better align with Provincial approval processes.

IMPLEMENTATION PLAN:

- As BC Housing and Government completes work on immediate term actions before March 31, 2023, BC Housing and government will continue to bring forward additional actions in a multi-year implementation plan to address the remaining report findings.
- In 2023/24, BC Housing is undertaking or expects to complete the following initiatives in response to the EY Report:
  - develop clear Terms of References that clarifies the scope and accountabilities of the Provincial Rental Housing Corporation – anticipated completion in May 2023 (EY Recommendation #1-6);
  - hiring a consultant to assist with due diligence in relation to all PRHC Board / ExCom submissions for acquisition or disposals (EY Recommendation 1-11);
  - as part of a deep-dive review of organizational structure, an Office of the General Counsel has been created with legal and risk related functions in BCH being moved under that office. Reorganization in Development and Asset Strategies to enable more capacity to address workload and demand (EY Recommendation 3-1).
- In 2023/24, collaborative effort between Government and BC Housing will clarify accountability and governance structure, and improve corporate frameworks, setting the stage for process modernization. Specific priorities and potential actions include:
  - Ministry and BC Housing finalizing a communication protocol framework to enhance information sharing and manage accountabilities (to be completed March 2023)
  - Refresh of BC Housing Mandate Letter, including new and updated priorities related to delivery of mandate and governance and oversight (to be completed June 2023)
  - Letters of Expectation to be developed and shared with BC Housing to provide detailed direction on specific priorities outside of mandate letter, Budget, etc. cycles (to be initiated beginning in 2023)

  - Implement review and update of Treasury Board's Approval and Reporting Framework (the ARF) and the HousingHub Framework (HHF)
  - Development of a housing specific Capital Project Risk-Based Oversight Screening Tool
  - Implement process to provide TBS with a forecast of projects requiring approvals at the beginning of each quarter
  - Develop a Reporting Framework for Housing Strategy Refresh implementation (e.g. targets for new initiatives/funds)
  - Develop a Reporting Framework for BC Housing Operations (e.g. number of units operated/funded)

- In 2024/25 to 2025/26, BC Housing will continue to transform processes and structures to better address housing needs across the province.
- Outcomes of this work will include:
  - Improved service delivery for British Columbians;
  - Enhanced clarity about the roles and responsibilities of Government and BC Housing;
  - A robust risk management approach;
  - An enhanced budgeting and forecasting framework; and
  - The establishment of new digital processes that will support BC Housing's renewed processes and structures.

Contact: Vincent Tong, Acting CEO, BC Housing	Mobile: Government Financial Information
Contact: Bonnie Ruscheinski, a/Executive Lead, Housing	Phone: 250-974-5870

Confidential Issues Note - ADVICE TO MINISTER

Ministry of Indigenous Relations and Reconciliation **Date:** Feb. 13, 2023 **Minister Responsible:** Hon. Murray Rankin	**Declaration on the Rights of Indigenous Peoples Act**

KEY MESSAGES:

- **We are deeply committed to advancing reconciliation in B.C. – guided by the Declaration on the Rights of Indigenous Peoples Act, and with meaningful consultation and co-operation with Indigenous Peoples.**
- **On November 28, 2019, B.C. became the first jurisdiction to adopt the United Nations Declaration on the Rights of Indigenous Peoples through legislation.**
- **While the passage of the Declaration Act as a framework to advance reconciliation is something we can take great pride in; we acknowledge it is only a step on our journey to undo 150 years of colonial harms that continue to be felt today.**
- **Since the discovery at the former residential school site in Kamloops in May 2021, Canadians coast-to-coast are facing our collective truth about the impacts of colonialism and the ongoing harms that Indigenous Peoples are still experiencing.**
- **We need to do better as a government and as a society. We need transformative change.**
- **We are seeing momentum building in the implementation of the Declaration Act. For example:**
    - **We are hard at work aligning legislation with the UN Declaration. We have amended several laws and many more legislative changes are currently being developed.**
    - **We are delivering on the actions promised in the Declaration Act Action Plan – a five-year, cross-government action plan that will guide our work to implement the UN Declaration in B.C.**
    - **We are advancing agreements that share decision-making with First Nations and are shifting from short-term transactional arrangements to co-development of long-term agreements that support reconciliation, self-determination, decision-making, and economic independence.**

  - We are working in consultation and co-operation with Indigenous Peoples on the next annual report – a requirement of the Declaration Act.
- We are committed to continuing to accelerate this meaningful work together to build an even stronger, more inclusive, and more just B.C. – together, with Indigenous Peoples, we are creating a better future for everyone.

Section 3 (alignment of laws)

- The Declaration Act mandates government to bring provincial laws into alignment with the UN Declaration, and to do so in consultation and co-operation with Indigenous Peoples.
- We are fundamentally shifting our approach to how we both develop and implement provincial laws, which is resulting in an increasing number of legislative reforms.
- A number of acts have already been amended to align with the UN Declaration. For example, amendments that:
  - support Indigenous Peoples in exercising their jurisdiction over child and family services *(through the Child, Family and Community Service Act*)
  - strengthen consultation, co-operation and consent on adoption placements for Indigenous children *(through the Adoption Act)*
  - upheld First Nations jurisdiction over education, which includes enabling First Nations to certify and regulate teachers in their own schools (Bill 25).
  - added a non-derogation clause to the Interpretation Act, which makes it clear that provincial laws uphold, and do not diminish, the rights of Indigenous Peoples as outlined under Section 35 of the Constitution Act (Bill 29).
    - This amendment also requires that the UN Declaration be used to assist in resolving disputes over the meaning of provincial acts and regulations.
  - added Indigenous identity as a protected ground under the B.C. Human Rights Code, which will help us all to combat anti-Indigenous racism and protect Indigenous Peoples from discrimination (Bill 18); and
  - taken a significant step to dismantle systemic racism and discrimination faced by Indigenous, Black and people of colour

through the Anti-racism Data Act.

Section 4 (Action Plan)

- The Declaration Act Action Plan, released March 30, 2022, is a five-year, cross-government action plan that will guide our work to implement the UN Declaration in B.C.
- The Action Plan includes 89 tangible, achievable cross-government actions in the areas of self-determination and self-government, rights and title, ending anti-Indigenous racism, and enhancing social, cultural and economic well-being.
- The Action Plan was developed through two years of intensive engagement, helping to ensure it reflects priorities of Indigenous Peoples in B.C.
- Each ministry in government is working in consultation and co-operation with Indigenous Peoples to deliver on their specific actions.
- By June, we will provide an update on progress made to implement the Action Plan through an annual report, developed in consultation and co-operation with Indigenous Peoples.

If asked for status update:

- Reconciliation is a cross government priority that includes every ministry.
- Ministries are continuing to action their items in a thoughtful, coordinated, and strategic way, while prioritizing consultation and co-operation with Indigenous Peoples.
- Across government, steady progress has been made to implement of the Action Plan.
- We will release the 2022-23 Annual Report by the end of June. This will be the first annual report to detail progress on implementation of the Action Plan.
- We know it's important to get this right – to show progress that Indigenous Peoples can see, feel and touch, and to demonstrate government's ongoing commitment to Declaration Act implementation.

If asked about funding for actions:

- Each ministry is responsible for funding and implementing their specific actions found within the Declaration Act Action Plan.
- All ministries have identified actions and aligned – or are aligning – their priorities and budgets to implement these actions.
- A number of actions are well underway across government, with varying degrees of funding to support implementation.
- In many cases, funding for actions can be found directly within ministry budgets.
- In fact, 90% of the 89 actions within the plan directly align or advance existing priorities, such as mandate letter direction or other commitments in public documents, agreements and other constructive arrangements.

Section 5 (annual reports)

- The Province reports on progress made to implement the Declaration Act through annual reports – a requirement of the Act.
- The annual reports are developed in consultation and co-operation with Indigenous Peoples in B.C. and publicly released by June 30 each year.
- The reports ensure the provincial government's work is transparent and accountable.
- As in previous years, we will be reporting out on progress towards on alignment of laws with the UN Declaration by the end of June.
- This will also be the first annual report to detail progress on implementation of the Action Plan.

Section 6/7 (shared decision-making agreements)

- We are advancing agreements that share statutory decision-making with First Nations.
- Sections 6 and 7 of the Declaration Act provides a mechanism for the negotiation of joint and consent-based decision-making agreements with Indigenous governing bodies.

- **This includes the signing of the first consent-based agreement with the Tahltan Nation in June 2022, and the start of negotiations on the first joint decision-making agreement with the shíshálh Nation in August 2022.**
- **We are committed to continuing the important work needed to bring about more of these important agreements, in consultation and co-operation with Indigenous Peoples.**
- **As we undertake this work, predictability, accountability and transparency are paramount.**
- **Whether joint or consent based, agreements under Sections 6 and 7 of the Declaration Act help address the legacy of colonialism by allowing the Province to work shoulder-to-shoulder with Indigenous Peoples on decisions that affect them.**

Declaration Act Secretariat

- **Establishing a Declaration Act Secretariat recognizes that implementation of the Declaration Act, the UN Declaration and constitutionally protected title and rights requires an integrated, "whole of government" effort.**
- **Formed last year, the Secretariat guides and assists government to ensure our legislation is consistent with the UN Declaration and is developed in consultation and co-operation with Indigenous Peoples.**
- **This past October, the Indigenous-led Secretariat released the 'interim approach' to help us with this task and support our legal requirements to affirm Indigenous rights.**
- **The Secretariat is being led by Associate Deputy Minister Si Sityaawks (Jessica Wood), and ADM Priscilla Sabbas-Watts.**

BACKGROUND

The Declaration on the Rights of Indigenous Peoples Act (Declaration Act) passed unanimously in the B.C. legislature on Nov. 26, 2019, and came into force on Nov. 29, 2019. B.C. is the first jurisdiction in Canada to have passed legislation to implement the United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration).

In Nov. 2022, the Premier issued ministerial mandate letters to the newly sworn in Cabinet ministers. In previous NDP ministerial mandate letters, every minister was tasked to support government's commitment to lasting and meaningful reconciliation with Indigenous Peoples in B.C. and the full

adoption and implementation of the UN Declaration and the TRC calls to action. The 2022 letters, however, did not include such blanket statement for ministers. Mentions of reconciliation was absent in the Environment, Forests and Water, Lands and Resource Stewardship ministers. Ministers – even those who are new to the role – understand reconciliation is a cross-government priority and are expected to support the Province's work towards lasting and meaningful reconciliation with Indigenous Peoples.

Declaration Act overview

- The legislation:
  - **Provides a legislative framework** for recognizing the constitutional and human rights of Indigenous Peoples.
  - **Mandates government to bring provincial laws into alignment with the Declaration** in consultation and cooperation with Indigenous Peoples.
  - **Requires the Province's action plan** to achieve the objectives of the UN Declaration, which must be the developed and implemented in consultation and cooperation with Indigenous Peoples.
  - **Requires regular reporting to the legislature** to monitor progress on the alignment of laws and the action plan, including tabling an annual report by June 30th, in consultation and cooperation with Indigenous Peoples.
  - **Allows for flexibility** for the Province to enter into agreements with a broad range of Indigenous governing bodies – this could include Indigenous governments outside of Indian Act Bands and incorporated organizations such as multiple nations working together as a collective, or hereditary governments and treaty nations.
  - **Provides a framework** for joint and consent-based decision-making with Indigenous governing bodies – providing structure and processes for how joint decision-making could happen, while ensuring administrative fairness and transparency.
- The B.C. government worked with the First Nations Leadership Council (FNLC) – BC Assembly of First Nations (BCAFN), First Nations Summit (FNS) and Union of BC Indian Chiefs (UBCIC) – to develop the legislation. Such collaboration on legislation was unprecedented in Canada at the time. A commitment to the legislation was outlined in the 2018 Concrete Actions document.
- Provincial officials met with dozens of Indigenous, business, labour and municipal leaders across B.C. over several months before and after introduction. This included key business and industry stakeholders, such as the BC Business Council and industry associations. There were more than 170 non-disclosure agreements, including with 50 First Nations, 10 First Nations organizations and Métis Nation BC, to walk people through the legislation. ***The intent of this engagement was to secure endorsement of the legislation; not part of how B.C. consulted and cooperated with Indigenous Peoples on the development of the legislation.***

Section 3: Alignment of laws

- Since the passing of the Declaration Act in 2019, the B.C. government continues to align work with provincial legislation, and ministries are now consulting and co-operating with Indigenous Peoples on key policy and legislation earlier and more deeply.
- All ministers understand that each ministry has a role in this work to align laws, and as they are working on legislation, they are very mindful of the Declaration Act.
- Established in 2022, the Declaration Act Secretariat is coordinating and assisting cross-government efforts to work in consultation and co-operation with Indigenous Peoples to align laws with the UN Declaration.

Section 4: Action Plan

- Between July 2020 and February 2021, the Province consulted and co-operated with Indigenous partners to build the draft action plan, which included working closely with First Nations, First Nations political leadership, First Nations organizations, historical and modern Treaty Nations, Métis Nation BC and Indigenous service organizations.
    - Over this time period, the B.C. government received over 30 written submissions and held more than 80 separate meetings.
    - The First Nations Leadership Council also carried out complementary engagement with 11 First Nations organizations and shared the results of this engagement with the B.C. government.
- The results of this engagement helped to form the foundation of the draft action plan.
- The draft action plan was released for feedback on June 11, 2021, offering numerous ways to for Indigenous Peoples to provide feedback, including providing online comments to the draft action plan, filling out online or hardcopy feedback forms, as well as submitting written submissions. Ministries from across government also held direct meetings with Indigenous partners to get feedback on their specific items in the draft action plan.
- Government received more than 80 written submissions, held over 65 meetings and received more than 400 online comments about the draft action plan. Ministry staff also collected feedback from First Nations leadership at the fall assemblies of the BCAFN, UBCIC and FNS.
- The Declaration Action Plan was released March 30, 2022.
- Engagement is actively underway within Indigenous partners as central to successful implementation. Ministry action leads are responsible for engaging Indigenous partners in implementation planning and activities. MIRR is engaging with FNLC, UBCIC and the Alliance on action plan progress as well as the design and approach to the 2022-23 annual report.

Section 6 & 7: Shared decision-making and Indigenous governing bodies

- First Nations have asked about government's progress to establish a process for recognizing Indigenous governing bodies. Identifying an Indigenous governing body is part of self-determination and is therefore up to Nations or collectives to establish. The government does not have a role in this work. Government's role is to meet the Indigenous governing body as a government-to-government partner with which to make agreements.
- Sections 6 and 7 of the Declaration Act enables the Province to enter into agreements with Indigenous governing bodies to share decisions, consistent with the UN Declaration. The resulting agreements set out the processes for joint or consent-based statutory decision-making, including dispute resolution, while clarifying roles and responsibilities of the Province and the Indigenous governing body.
- Section 7 of the Declaration Act is an enabling tool. It gives the ability to seek a mandate from Cabinet to pursue for shared decision-making and consent agreements – in other words, agreements to exercise statutory authority either jointly, or with consent.
- Each decision-making agreement is different from another, and as such, are negotiated and subsequently approved on a case-by-case basis.
- For example, in June 2022, government signed an agreement with the Tahltan Central Government on the first consent-based decision-making agreement ever to be negotiated under the Declaration Act. The negotiations support ongoing work to collaboratively achieve long-term comprehensive reconciliation and land-use predictability in Tahltan territory.
- In Aug. 2022, B.C. announced a commitment to negotiate a shared decision-making agreement with the shíshálh Nation. Once negotiated, this agreement will reflect a shift in B.C.'s legal decision-making framework to respect First Nations jurisdiction, recognize the inherent rights of shíshálh and provide a stronger, more durable path to decision-making in shíshálh territory.

Declaration Act Secretariat

- In 2020, Minister Rankin's updated mandate letter included a new action: to bring a plan to Cabinet for a secretariat that would assist ministries in the alignment of B.C. laws with the UN Declaration on the Rights of Indigenous Peoples by the end of 2021. It was not a requirement to have one established by the end of that year.
- The Declaration Act Secretariat was announced as part of Budget 2022 and has a budget of $12 million over three years.
- In Oct. 2022, the Declaration Act Secretariat released the 'Interim Approach to Implement the Requirements of Section 3 of the Declaration on the Rights of Indigenous Peoples Act'. The world-leading interim guidance approach provides every ministry and sector of government with clear, transparent processes for how they are to work together with Indigenous Peoples in developing provincial laws, policies and practices, as required under the Declaration on the Rights of Indigenous Peoples Act.
- In Dec. 2022, Minister Rankin received an updated mandate letter, which committed him, through the new Declaration Act Secretariat to "continue to ensure new legislation and policies are consistent with the Declaration on the Rights of Indigenous Peoples Act." This expands on his 2020 mandate letter which introduced the idea of a "secretariat that would assist ministries in the alignment of laws with the UN Declaration..."

Communications Contact: Leanne Ritchie Program Area Contact: Jessica Wood / Ann Marie Sam

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE **Ministry of Indigenous Relations and Reconciliation** **Date:** Feb. 13, 2023 **Minister Responsible:** Murray Rankin	**Consultation & Co-operation and the Duty-to-Consult**

ADVICE AND RECOMMENDED RESPONSE:

- **We know the requirement to embed the UN Declaration on the Rights of Indigenous Peoples into our laws, policy, programs and practices needs to be a cross-government undertaking – and must be done in true consultation and co-operation with Indigenous Peoples.**
- **The Premier recently tasked all of government – through the Declaration Act Secretariat – to continue to ensure new legislation and policies are consistent with the Declaration Act.**
- **We respect the rights of Indigenous Peoples, and want to create a future where First Nations, Métis and Inuit people can thrive through the full enjoyment and exercise of their inherent rights.**
- **New guidance for the B.C. government from the Declaration Act Secretariat provides best practices for meeting our requirements by working with Indigenous Peoples on the development of provincial laws and policies, to advance the recognition and affirmation of Indigenous rights.**
- **Released in October 2022, the *'Interim Approach to Implement the Requirements of Section 3 of the Declaration on the Rights of Indigenous Peoples Act'* provides every ministry and sector of government with clear, transparent processes for how they are to work together with Indigenous Peoples in developing provincial laws, policies and practices, as required by the Declaration Act, and Section 35 of our Constitution.**
- **It brings together what we have learned on the co-development of laws since 2019 and helps government transition towards an approach of law making is thoughtful, consistent, and supports our legal requirements to respect and affirm Indigenous rights.**

Secondary messaging: Role of the Secretariat

- **Establishing a Declaration Act Secretariat recognizes that implementation of the Declaration Act, the UN Declaration and constitutionally protected title and rights requires an integrated, "whole of government" effort.**
- **The Secretariat guides and assists government to ensure our legislation is consistent with the UN Declaration and is developed in consultation and co-operation with Indigenous Peoples.**
- **Together with Indigenous Peoples, the Secretariat provides recommendations on laws to prioritize for comprehensive alignment with the UN Declaration.**
- **And they work to co-develop measures through which a review of laws will take place.**
- **While their initial focus is primarily on legislation, I expect the Secretariat's work will be transformative and deepen all of government's relationships with Indigenous Peoples.**

KEY FACTS:

The depth to which the B.C. government consults and co-operates with Indigenous Peoples in the development of legislation has been criticized both in and outside of the House. In the Spring 2022 legislative session, the opposition examined bills for how government specifically met the standards to consult and co-operate articulated in the Declaration Act.

Declaration Act Secretariat
In Oct. 2022, the Declaration Act Secretariat released the 'Interim Approach to Implement the Requirements of Section 3 of the Declaration on the Rights of Indigenous Peoples Act'. The world-leading interim guidance approach provides every ministry and sector of government with clear, transparent processes for how they are to work together with Indigenous Peoples in developing provincial laws, policies and practices, as required under the Declaration on the Rights of Indigenous Peoples Act.

In Dec. 2022, Minister Rankin received an updated mandate letter, which committed him, through the new Declaration Act Secretariat to "continue to ensure new legislation and policies are consistent with the Declaration on the Rights of Indigenous Peoples Act." This expands on his 2020 mandate letter which introduced the idea of a "secretariat that would assist ministries in the alignment of laws with the UN Declaration..."

Legislation to date includes:
- Anti-racism Data Act
- Human Rights Code
- Forest Statutes Amendment Act

- Education Statutes Act
- Interpretation Amendment Act
- Upholding Indigenous Jurisdiction in Children and Families

Policy related to Section 3 includes:

- Draft Principles that Guide the Province of British Columbia's Relationship with Indigenous Peoples
- Recognition and Reconciliation of Rights Policy for Treaty Negotiations
- Indigenous Governing Bodies Policy
- Interim approach to Involving Indigenous Peoples in Policy and Legislation

Background

The Duty-to-Consult applies to decisions of the Crown that may impact Section 35 Aboriginal rights whether asserted, proven or enshrined in a treaty or other constructive agreement. In Haida 2004, the Supreme Court of Canada ruled "The Crown, acting honourably, cannot cavalierly run roughshod over Aboriginal interests where claims affecting these interests are being seriously pursued in the process of treaty negotiation and proof." The scope of consultation depends on an analysis of two factors: strength of claims and the seriousness of impact of the proposed a decision. This process is not well liked by First Nations across Canada.

Unlike with Section 35 Aboriginal rights, there has not yet been any judicial direction regarding the application of the Declaration on the Rights of Indigenous Peoples Act. In *Thomas and Saik'uz First Nation v Rio Tinto Alcan Inc*, 2022, the BC Supreme Court considered the potential implications of UN Declaration legislation in its analysis and, in doing so, provided some insight as to how the UN Declaration legislation may supplement, refine, and alter existing jurisprudence addressing Aboriginal rights and reconciliation. However, the court left it to Supreme Court of Canada to determine what effect, if any, UN Declaration legislation has on the common law, particularly given the areas of conflict between the two. In identifying these areas of conflict, the Court appeared to suggest that, in some of these instances, UN Declaration may serve as a preferable approach than existing common law.[1]

In the fall of 2021, government added a non-derogation clause to the Interpretation Act, which makes it clear that provincial laws uphold, and do not diminish, the rights of Indigenous Peoples as outlined under Section 35 of the Constitution Act. The Interpretation Act, section 8.1(3) states: Every Act and regulation must be construed as being consistent with the Declaration, and that Section 35 consultation should be informed by relevant articles of the UN Declaration, including Articles 19 and 32(2) which indicate that consultations are to be aimed at obtaining free, prior and informed consent – consistent with Principle #6.

Media Interest: How the B.C. government is implementing the UN Declaration – including consultation and co-operation and duty to consult processes – is of high interest to provincial, national and world media.

Communications Contact: Leanne Ritchie Program Area Contact: Jessica Wood

[1] BCSC Decision Suggests Implications for UNDRIP Legislation in Canada | Cassels.com

DECLARATION ACT SECRETARIAT
2023 Estimates Note

Alignment of Laws

KEY MESSAGES

- **Three years have elapsed since the passage of *The Declaration on the Rights of Indigenous Peoples Act* (Declaration Act). Efforts to date to implement section 3 have illustrated the need for a coherent and systematic approach to the alignment of laws that is transparent to Indigenous peoples, other levels of government, stakeholders, and the general public.**
- **The steps that the Province has taken, and in particular the formation of the Declaration Act Secretariat, have set the foundation for advancing such an approach.**
- **The Declaration Act Secretariat guides and assists ministries in meeting the alignment of laws obligations, collaborates within government on changes to government's legislative and policy process, and helps establish government's legislative priorities related to alignment of laws.**
- **The Secretariat has been actively involved in supporting legislation and policy development.**
    - **Examples of relevant amendments include the**
        - **Child, Family and Community Services Act,**
        - **Adoption Act,**
        - **Interpretation Act,**
        - **Forest and Range Practices Act,**
        - **FOIPPA,**
        - **Emergency Programs Act,**
        - **the development of the Anti-Racism Data Act.**

BACKGROUND

The Declaration on the Rights of Indigenous Peoples Act (Declaration Act) was unanimously passed by the Legislative Assembly in 2019. Section 3 of the Declaration Act requires the Province, in consultation and co-operation with Indigenous peoples, to take "all measures necessary" to ensure consistency between the laws of British Columbia and the United Nations Declaration on the Rights of Indigenous Peoples.

Since 2019, the Province has taken some measures pursuant to section 3. The most significant measure was the formation of the Declaration Act Secretariat, established in Budget 2022. The mandate of the Secretariat is to ensure legislation is consistent with the UN Declaration and is

developed in consultation and cooperation with Indigenous Peoples, as required by Section 3 of *The Declaration on the Rights of Indigenous Peoples Act.*

The Secretariat's core functions are:

- Provide guidance to ministries to:
  - meet consultation and cooperation obligations in the development and reform of legislation;
  - ensure alignment of provincial legislation with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP);
- Develop processes and measures to support alignment of laws;
- Inform government's legislative agenda; and
- Engage with Indigenous peoples to gather input on:
  - their experiences working with ministries in the alignment of laws; and
  - to facilitate systemic shifts to ensure the obligations under Section 3 can be met.

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ADM Responsible
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MINISTRY OF INDIGENOUS RELATIONS AND RECONCILIATION &
DECLARATION ACT SECRETARIAT
2023 Estimates Note

Consultation and Cooperation

KEY MESSAGES

- **We ensured the requirement to embed the UN Declaration on the Rights of Indigenous Peoples into our laws, policy, programs and practices needs to be a cross-government undertaking – and must be done in true consultation and cooperation with Indigenous Peoples.**
- **The Premier recently tasked all of government – through the Declaration Act Secretariat – to continue to ensure new legislation and policies are consistent with the Declaration Act.**
- **We respect the rights of Indigenous Peoples, and want to create a future where First Nations, Métis and Inuit people can thrive through the full enjoyment and exercise of their inherent rights.**
- **New guidance for the B.C. government from the Declaration Act Secretariat provides best practices for meeting our requirements by working with Indigenous Peoples on the development of provincial laws and policies, to advance the recognition and affirmation of Indigenous rights.**
- **All of this work must be distinctions-based, including as stated in the Draft 10 Principles, the Declaration Act, and the Declaration Act Action Plan**
- **The Province is working directly with First Nations on a government-to-government basis, implementing treaties, agreements, and other constructive arrangements, as well as through on-going work with the Alliance of BC Modern Treaty Nations (ABCMTN), First Nations Leadership Council (FNLC), and Métis Nation BC (MNBC).**
- **Released in October 2022, the *'Interim Approach to Implement the Requirements of Section 3 of the Declaration on the Rights of Indigenous Peoples Act'* provides every ministry and sector of government with clear, transparent processes for how they are to work together with Indigenous Peoples in developing provincial laws, policies and practices, as required by the Declaration Act, and Section 35 of our Constitution.**

- **It brings together what we have learned on the co-development of laws since 2019 and helps government transition towards an approach of law making is thoughtful, consistent, and supports our legal requirements to respect and affirm Indigenous rights.**

Secondary messaging: Role of the Secretariat

- **Establishing a Declaration Act Secretariat recognizes that implementation of the Declaration Act, the UN Declaration and constitutionally protected title and rights requires an integrated, "whole of government" effort.**
- **The Secretariat guides and assists government to ensure our legislation is consistent with the UN Declaration and is developed in consultation and co-operation with Indigenous Peoples.**
- **Together with Indigenous Peoples, the Secretariat provides recommendations on laws to prioritize for comprehensive alignment with the UN Declaration.**
- **And they work to co-develop measures through which a review of laws will take place.**
- **While their initial focus is primarily on legislation, I expect the Secretariat's work will be transformative and deepen all of government's relationships with Indigenous Peoples.**

BACKGROUND

The depth to which the B.C. government consults and co-operates with Indigenous Peoples in the development of legislation has been criticized both in and outside of the House. In the Spring 2022 legislative session, the opposition examined bills for how government specifically met the standards to consult and co-operate articulated in the Declaration Act.

Declaration Act Secretariat

In Oct. 2022, the Declaration Act Secretariat released the 'Interim Approach to Implement the Requirements of Section 3 of the Declaration on the Rights of Indigenous Peoples Act'. The world-leading interim guidance approach provides every ministry and sector of government with clear, transparent processes for how they are to work together with Indigenous Peoples in developing provincial laws, policies and practices, as required under the Declaration on the Rights of Indigenous Peoples Act.

In Dec. 2022, Minister Rankin received an updated mandate letter, which committed him, through the new Declaration Act Secretariat to "continue to ensure new legislation and policies are consistent with the Declaration on the Rights of Indigenous Peoples Act." This expands on his 2020 mandate letter which introduced the idea of a "secretariat that would assist ministries in the alignment of laws with the UN Declaration..."

Legislation to date includes:

- Anti-racism Data Act
- Human Rights Code
- Forest Statutes Amendment Act
- Education Statutes Act
- Interpretation Amendment Act
- Upholding Indigenous Jurisdiction in Children and Families

Policy related to Section 3 includes:

- Draft Principles that Guide the Province of British Columbia's Relationship with Indigenous Peoples
- Recognition and Reconciliation of Rights Policy for Treaty Negotiations
- Indigenous Governing Bodies Policy
- Interim approach to Involving Indigenous Peoples in Policy and Legislation

The Duty-to-Consult applies to decisions of the Crown that may impact Section 35 Aboriginal rights whether asserted, proven or enshrined in a treaty or other constructive agreement. In Haida 2004, the Supreme Court of Canada ruled "The Crown, acting honourably, cannot cavalierly run roughshod over Aboriginal interests where claims affecting these interests are being seriously pursued in the process of treaty negotiation and proof." The scope of consultation depends on an analysis of two factors: strength of claims and the seriousness of impact of the proposed a decision. This process is not well liked by First Nations across Canada.

Unlike with Section 35 Aboriginal rights, there has not yet been any judicial direction regarding the application of the Declaration on the Rights of Indigenous Peoples Act. In *Thomas and Saik'uz First Nation v Rio Tinto Alcan Inc,* 2022, the BC Supreme Court considered the potential implications of UN Declaration legislation in its analysis and, in doing so, provided some insight as to how the UN Declaration legislation may supplement, refine, and alter existing jurisprudence addressing Aboriginal rights and reconciliation. However, the court left it to Supreme Court of Canada to determine what effect, if any, UN Declaration legislation has on the common law, particularly given the areas of conflict between the two. In identifying these areas of conflict, the Court appeared to suggest that, in some of these instances, UN Declaration may serve as a preferable approach than existing common law.[1]

In the fall of 2021, government added a non-derogation clause to the Interpretation Act, which makes it clear that provincial laws uphold, and do not diminish, the rights of Indigenous Peoples as outlined

[1] BCSC Decision Suggests Implications for UNDRIP Legislation in Canada | Cassels.com

under Section 35 of the Constitution Act. The Interpretation Act, section 8.1(3) states: Every Act and regulation must be construed as being consistent with the Declaration, and that Section 35 consultation should be informed by relevant articles of the UN Declaration, including Articles 19 and 32(2) which indicate that consultations are to be aimed at obtaining free, prior and informed consent – consistent with Principle #6.

Declaration Act Action Plan and Annual Report

The Declaration Act Action Plan outlines the work each ministry will do to implement the UN Declaration between 2022 and 2027. It includes 89 actions that ministries will undertake in consultation and cooperation with Indigenous partners to achieve the objectives of the UN Declaration.

Each year the Minister must prepare a report on progress made toward the implementation of measures referred to in Section 3 of the Declaration Act and achieving the goals of the Action Plan. This report must be prepared in consultation and cooperation with Indigenous partners.

[For details on consultation and cooperation efforts for implementation of the Declaration Act Action Plan, please refer to the Action Plan note].

[For details on consultation and cooperation efforts in the development of the 2022/23 annual report, please refer to the Annual Report note].

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DECLARATION ACT SECRETARIAT
2023 Estimates Note

Interim Approach

KEY MESSAGES

- **The Interim Approach provides guidance for implementing section 3 of *the Declaration on the Rights of Indigenous Peoples Act* (Declaration Act) and, in particular, approaches for involving Indigenous peoples in policy and legislative development.**

- **Released in October of 2022, the Interim Approach is one of the first key actions from the Declaration Act Secretariat.**

- **This guidance provides clear, transparent processes for how public servants are to work together with Indigenous peoples in developing provincial laws, policies and practices.**

- **The guidance is to help ensure the requirements of Section 3 of the Declaration Act are met.**

- **The interim process has been developed through on-going efforts to effect consultation and cooperation with Indigenous peoples during the development of policy and legislation. The experiences of ministries in working with Indigenous peoples on policy and legislative change since the passage of the Declaration Act have informed the development of this guidance.**

- **The Interim Approach will be updated and supplemented as the work of implementing the Declaration Act in consultation and cooperation with Indigenous peoples continues.**

BACKGROUND

The Declaration Act Secretariat was created to guide and assist ministries in the alignment of laws with the United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration).

This includes meeting the legal requirement to consult and cooperate with Indigenous peoples on changes to the Province's legislative and policy processes and development.

Aligning provincial laws with the UN Declaration will take time. This interim guidance was created to help inform the work being done now across government with Indigenous peoples.

The Declaration Act Secretariat supports ministries in implementing this guidance, as well as the development of additional measures for implementing section 3. Additionally, ministries should seek guidance from the Indigenous Legal Relations Solicitors Unit (NATRIL) within the Legal Services Branch (MAG), as well as ministry-specific legal counsel, throughout the application of this interim process.

The UN Declaration contains direction to States (e.g. Crown governments), on how to develop policy and legislation;

- Article 19: States shall consult and cooperate in good faith with the Indigenous peoples concerned through their own representative institutions in order to obtain their free, prior and informed consent before adopting and implementing legislative or administrative measures that may affect them.

- Article 38: States in consultation and cooperation with Indigenous peoples, shall take the appropriate measures, including legislative measures, to achieve the ends of this Declaration.

Section 3 of the Declaration Act, responds to UNDRIP, and reads:

Measures to align laws with Declaration

3 In consultation and cooperation with the Indigenous peoples in British Columbia, the government must take all measures necessary to ensure the laws of British Columbia are consistent with the Declaration.

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ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE **Ministry of Indigenous Relations and Reconciliation** **Date:** Jan. 30, 2023 **Minister Responsible:** Hon. Murray Rankin	**Wet'suwet'en MOU Funding - Status**

KEY MESSAGES:

- **We are working hard to engage community leaders and do the unfinished business of reconciling Wet'suwet'en law with provincial law and implementing the Delgamuukw-Gisday-wa decision from 25 years ago.**
- **We remain resolute in our determination to undertake this work at the rights and title table, together with the Wet'suwet'en and Government of Canada.**
- **Indigenous self-determination is a key tenet of the UN Declaration and a key objective of the Declaration Act.**
- **Resolving these issues will help avoid conflicts on the land, heal the community, and benefit everyone who lives in the region.**

KEY MESSAGES - FUNDING:

- **In 2021, the Province provided $7.22 million to the Wet'suwet'en to support work under the tripartite MOU, including expanding governance capacity, engaging in unity-building activities, and participating in ongoing negotiations to reconcile rights and title.**
- **The funds also support capacity for further work on Wet'suwet'en priorities, such as eco-system monitoring, landscape-level planning, and enabling renovations at the former Lake Kathlyn School property, which the community bought through a $1.23-million grant from the Province in 2020.**
- **The MOU is a government-to-government-to-government understanding that outlines work all parties must do to advance reconciliation. A priority topic is development of a Wet'suwet'en Reunification Strategy.**
- **We can only progress so far under the MOU without a clear demonstration of support from community leaders and ongoing,**

productive dialogue both within the community and with government partners.

- **We look forward to hearing more from the Wet'suwet'en on the status of their work under the MOU and how they have used the funding allocation.**

If asked why government is providing funding to the Hereditary Chiefs and not the Elected Chiefs:

- **The funds were provided to the Wet'suwet'en Nation though their representatives.**
- **The tripartite MOU recognizes that Wet'suwet'en rights and title are held by the Wet'suwet'en Houses under their system of governance.**
- **The MOU also states that the parties will work together to resolve issues of Wet'suwet'en governance in order to implement their title.**

BACKGROUND:

There are six Wet'suwet'en entities that have asserted rights and title on behalf of Wet'suwet'en members. The Hereditary Chiefs of the Wet'suwet'en Nation have asserted they are the representatives of the Nation and BC signed an MOU with them in May of 2020.

Intergovernmental Communications

Update

- On Jan. 10, 2023, Minister Rankin and Crown Indigenous Relations Minister Mark Miller sent a joint letter to the Hereditary Chiefs and Elected Chief Councillors of the Wet'suwet'en Nation following up on a proposed Wet'suwet'en – Crown Leadership Summit – an idea posed by B.C. and Canada over a year ago. The letter reiterates that "our tri-partite relationship will be much more beneficial when Canada and British Columbia (BC) are working with the leadership of a unified Wet'suwet'en Nation." And continues "Canada and BC are both working to develop a new fiscal framework, including new approaches to revenue sharing and decision-making. The challenge to these opportunities remains the absence of unified representation for the Wet'suwet'en people." The letter encourages "you to use the funds provided to the Office of the Wet'suwet'en in February 2021 to support unity building initiatives for the Wet'suwet'en people." The letter also acknowledges the conversations between the Province and Hereditary Chiefs at the First Nations Leaders' Gathering 2023, where representatives of Witset attended meetings with alongside Hereditary Chief Hagwilnegh (Ron Mitchell, who also previously served on Witset council).
- On Nov. 30, 2022, the Wet'suwet'en First Nation elected Chief and Council sent a letter to Premier Eby acknowledging his swearing in and to "renew our consistent request that the MOU process be formally paused until such time as there is agreement among the Wet'suwet'en people as to how to proceed." The letter reiterates the Chief and Council's views that "negotiations are secret, and we have no way of knowing whether there has been any progress on the final constitutionally protected, treaty-like agreement promised in the MOU....Our impression is that negotiations are stalled, the hereditary chiefs have rejected the process and have also refused to engage in an internal nation-

building process funded by the province in an amount exceeding $7,000,000...the province has used the MOU to block our efforts to engage in bilateral negotiation of a reconciliation agreement as well as to limit access to important funding programs such as the Forestry Consultation and Revenue Sharing Agreement program (which we acknowledge is currently under review)."

- On July 15, 2022, a press release was posted on the Office of the Wet'suwet'en website that stated they "had serious deliberations about the MOU and our vision of healthy people, healthy lands, for our grandchildren."

MOU Discussions - Current Status

- MOU discussions have occurred only intermittently since June 2021, and have been impacted by the federal election, COVID-19, and lack of engagement by Wet'suwet'en Chiefs and the negotiating table. The main negotiators' table enabled by the MOU has not met in over a year.
- At the direction of the Wet'suwet'en Hereditary Chiefs, negotiation meetings and communications have significantly decreased since police enforced a court order and arrested CGL pipeline opponents at the Morice River (Widzin Kwah) drilling site on Nov. 18 and 19, 2021.
- Technical discussions continue for the priority topics under the MOU of water and child and family wellness.

Funding Status

- The Province provided $7.22 million to the Hereditary Chiefs on March 31, 2021 to support five priority topics: renovations of school, negotiation and reunification support, governance capacity, water stewardship and governance, and nation visibility.
- Stipulations of the grant include annual reports, with the first due March 31, 2022, and possible repayment if funds are not used for their specified purpose by March 31, 2024. An annual report was provided March 31, 2022.
- Intergovernmental Communications

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Memorandum of Understanding

- The draft tripartite MOU was announced on March 1, 2020, after three days of talks on establishing an expedited process to affirm and implement Wet'suwet'en rights and title.
- The MOU was not made public at the time, pending a Wet'suwet'en ratification process with clan members, over which the Province faced significant criticism.
- Following the pandemic declaration, the final clan ratification was carried out virtually and Office of the Wet'suwet'en advised B.C. and Canada of clan approval on April 23, 2020.
- The MOU has been publicly denounced at each stage by elected Wet'suwet'en Chiefs, who have opposed the Province negotiating with the Hereditary Chiefs without their participation.

Communications Contact: Leanne Ritchie

Program Area Contact(s): Stewart Dickson, Cory Waters

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE **Ministry of Indigenous Relations and Reconciliation** **Date:** Jan. 30, 2023 **Minister Responsible:** Hon. Murray Rankin	# Wet'suwet'en reconciliation / CGL protests

KEY MESSAGES:

- **This is an ongoing and difficult situation for the Wet'suwet'en Nation, and for people in Smithers, Hazelton and neighbouring communities – dividing families, friends and neighbours.**
- **For years, we have taken steps to try and bring the Wet'suwet'en Hereditary Chiefs, elected Wet'suwet'en officials, and others together to find a pathway through this challenging issue.**
- **Government has and continues to work to engage the Wet'suwet'en Hereditary Chiefs and others in a dialogue with the aim of finding a peaceful resolution to the conflict.**

Secondary messaging:

- **This is an extremely complex issue, balancing provincial law with Wet'suwet'en law, and the unfinished business of reconciling those laws, including truly implementing the Delgamuukw-Gisday-wa decision from 25 years ago.**
- **Some Hereditary Chiefs are opposed to the CGL pipeline project while elected Chiefs support it. This division within the Wet'suwet'en community is partly a result of the ongoing impacts and trauma of colonialism.**
- **We're committed to implementing Wet'suwet'en title. Any solutions must involve the Wet'suwet'en people, which includes Wet'suwet'en Hereditary and elected leaders.**
- **Unity is the way forward. Governance matters of the Wet'suwet'en Nation must be resolved by Wet'suwet'en people – that is central to self-determination. Reunification within Wet'suwet'en Nation is essential for this work to move forward successfully. It is a central feature of the MOU to reconcile Wet'suwet'en rights and title in the Yintah.**

- There will be many important questions that need answering and much healing will be required.

If asked about next next steps:

- We remain resolute in our determination to undertake this necessary work at the rights and title table, together with the Wet'suwet'en and Government of Canada.
- Indigenous self-determination is a key tenet of the UN Declaration and a key objective of the Declaration Act.
- Resolving these issues will help avoid conflicts on the land, and support work together that will benefit all communities and people who live in the region.
- Together with the Federal Minister of Crown Indigenous Relations, we have made several requests to meet with Hereditary Chiefs and elected leaders for a three-day Wet'suwet'en – Crown Leadership Summit.
- Our most recent request was sent in January *(2023)*, again inviting to come together to discuss how the Province can support the development of a Wet'suwet'en reunification strategy.
- We encourage the Hereditary Chiefs and elected leaders to use the $7.22 million provided by the Province to support their work under the tripartite MOU, including expanding governance capacity, engaging in unity-building activities and participating in the ongoing negotiations to reconcile rights and title

If asked about government action to resolve the dispute:

- Government has and continues to work to engage the Wet'suwet'en Hereditary Chiefs and others in a dialogue with the aim of finding a peaceful resolution to the conflict.
- We continue to invite both Hereditary Chiefs and elected leaders for a summit to address Wet'suwet'en reunification and to determine how B.C. and Canada can support them.
- In September 2021, over two days, I had meetings in the Yintah with members of both hereditary and elected Wet'suwet'en leadership, as well as community leaders from non-Indigenous communities in the area.
- Also in September 2021, we engaged Miles Richardson as an interlocutor to encourage dialogue among the parties. Mr. Richardson

has had many, many conversations with the Coastal GasLink, Nation, federal and provincial governments, RCMP and other interested groups.

- I continue to work with my colleagues across government and engage my federal counterpart, Minister Marc Miller, in developing solutions to the impasse.
- The federal minister has offered his government's support to advance dialogue to help the situation and reaffirmed their commitment to the tripartite MOU to reconcile Wet'suwet'en rights and title in the Yintah.
- I can assure British Columbians that our government is working very hard to engage the company and Hereditary and elected Chiefs in a dialogue with the aim of finding a peaceful resolution to this complex problem.

*If asked about work on the MOU: *For funding KMs/details, see MOU IN*

- Our government is working to address matters of Wet'suwet'en rights and title outstanding since the Delgamuukw-Gisday-wa decision 25 years ago.
- In May 2020, ten Wet'suwet'en Hereditary Chiefs and the provincial and federal governments signed a Memorandum of Understanding.
- The MOU is a commitment to negotiate a series of agreements to affirm and implement Wet'suwet'en title and rights.
- At the time the MOU was reached, all parties at the table recognized the differences relating to the CGL project remain. That has not changed.
- We recognize Wet'suwet'en rights and title and respect the authority of the Hereditary Chiefs. We can work together to implement title and rights, while also supporting the completion of the CGL project.
- The Province remains committed to this work.
- In 2021, the Province provided $7.22 million in funding to the Wet'suwet'en to support their work under the MOU, including expanding governance capacity, engaging in unity-building activities and participating in the ongoing negotiations.
- The funds also included capacity for further work on Wet'suwet'en priorities, such as eco-system monitoring and landscape-level planning, and provided further funding to enable renovations at the

former Lake Kathlyn School property, which the community bought through a $1.23-million grant from the Province in 2020.

- Our progress has not been as quick as we'd hoped due to a number of factors. An important part of the work to move forward in implementing rights and title is making progress on governance and unity issues within the broader Wet'suwet'en Nation, and that work has been incredibly difficult for all parties involved.
- On multiple occasions, Minister Miller and myself have invited Wet'suwet'en Hereditary and elected leaders to a summit in the hopes that the Wet'suwet'en can make progress on reunification.
- The Province remains actively working with the Wet'suwet'en Hereditary Chiefs to support the priority topics of water and child and family wellness under the MOU.

If asked about the interlocutor:

- In September 2021, B.C. retained the services of Miles Richardson, a prominent Indigenous leader from the Haida Nation with an extensive background in Indigenous and Canadian government relations, to assist in dialogue between parties related to the CGL project.
- Mr. Richardson's role is as an interlocutor – helping facilitate important conversations between government, Wet'suwet'en Hereditary Chiefs, CGL, the federal government, the RCMP and other involved parties.
- The Province is not directing who or where he has conversations with, or what he is relaying. His role is to help the parties connect with each other as appropriate.

If asked whether government is violating UNDRIP by removing Indigenous Peoples from their lands:

- We recognize how incredibly challenging the direct action situation is for the Wet'suwet'en people.
- I can assure British Columbians that our government continues to work very hard to engage the company and Hereditary Chiefs in a dialogue with the aim of finding a peaceful resolution to this complex problem.
- The Coastal GasLink project has all the permits in place for the construction activities underway.

- I respect that there are differing opinions among the local First Nations communities regarding the project – many are supportive while others are not.
- This lack of unity is very difficult for all involved.
- The Province is available to support conversations between the hereditary and elected leadership if it would be helpful – but ultimately Wet'suwet'en governance matters are for the Wet'swuet'en to address.
- The way forward and decisions about who represents the Wet'suwet'en people, and how, is for the Wet'suwet'en people to decide.

If asked about criticism of the MOU by Hereditary Chiefs:

- The MOU was developed over an intensive three-day negotiation in Smithers in February 2020. Ten hereditary leaders signed the MOU in May 2020 following consultation with Wet'suwet'en house groups.
- The MOU was just the start – it is an agreement to negotiate a series of agreements to affirm and implement Wet'suwet'en title and rights. The Province and Canada remain committed to that work.
- If the Hereditary Chiefs would like to amend or alter the MOU, we would be happy to sit with them and hear their suggested next steps.

If asked about elected leadership opposition to funding & MOU negotiations:

- Under the MOU, all Wet'suwet'en must be consulted on agreements negotiated, and there must be clarity on Wet'suwet'en governance structures and systems to move forward.
- The Province provides funding to band councils of the Wet'suwet'en through various financial arrangements related to forestry, pipelines, and children and family services – agreements worth millions of dollars to these communities.
- I have repeatedly invited both Wet'suwet'en Hereditary and elected leaders to a summit in the hopes that we can make progress on Wet'suwet'en reunification.

ADVICE TO MINISTER

If asked about elected chiefs' concerns over transparency & involvement:

- Under the MOU, there must be consultation with all Wet'suwet'en about any agreement, as well as clarity on Wet'suwet'en governance structures and systems.
- Part of the provincial funding is intended to support this work, through an internal engagement process to advance unity-building.
- Hereditary Chiefs have advised they will be engaging with all Wet'suwet'en members under this process to ensure transparency as we move forward together with negotiations.

If asked about the status of negotiations:

- We are committed to working together to determine how best to implement Wet'suwet'en rights and title.
- At the request of the Hereditary Chiefs, we have not engaged in substantive discussions regarding MOU implementation for over a year.
- We remain committed to reconciliation with the Wet'suwet'en people and process set out in the MOU.
- A priority topic of the MOU is the development of a Wet'suwet'en reunification strategy.
- Together with Minister of Crown Indigenous Relations, we have made several requests to meet with hereditary chiefs and elected band chiefs for a three-day Wet'suwet'en – Crown Leadership Summit.
- It is our preference to work with all parties to design the agenda in a respectful way and to structure the time together so that we can move forward on the many important issues in front of us.
- At this time, we don't have an updated timeline but we remain steadfast in our commitment to work with all Wet'suwet'en on approaches for advancing governance and unity among the Wet'suwet'en Nation.
- The Province remains actively working with the Wet'suwet'en Hereditary Chiefs to support the priority topics of water and child and family wellness under the MOU.

If asked about the status of the CGL project in relation to negotiations:

- The Coastal GasLink project is permitted and approved to proceed.

ADVICE TO MINISTER

- **B.C. engaged extensively with Indigenous communities on the Coastal GasLink project, including both Hereditary Chiefs and elected leadership.**
- **At the time the MOU was reached, all parties at the table recognized the differences relating to the CGL project remain. That has not changed.**

BACKGROUND

The B.C. government continues to work to engage the Wet'suwet'en Hereditary Chiefs and Coastal GasLink (CGL) in dialogue with the aim of finding a peaceful resolution to the conflict.

Peace and Unity Tour – July 2022

- In August 2022, Wet'suwet'en Hereditary Chiefs Woos, Na'Moks, Madeek, Gisday'wa, and followers visited other Indigenous Nations across Canada on a Nation-to-Nation 18-day tour.
- The tour followed a four-day Peace and Unity Summit on the Yintah that began on July 26, 2022. Attendees including MLAs Adam Olsen and Sonia Furstenau witnessed the arrest of a protestor when they were touring the new feast hall at Lamprey Creek before rafting on Morice River.

. CGL Vandalism & fallout – Feb. 17, 2022

- On Feb. 17, 2022 a violent attack occurred at a CGL worksite at the Morice River (Widzin Kwah) drill site, which resulted in an injured RCMP officer, threatened CGL employees and extensive property damage.
- Following the attack, Wet'suwet'en Chiefs expressed concerns over safety on the yintah. They noted they have a trapping program on the yintah and members living on the yintah in this area.
- Intergovernmental Communications

- Overnight on Oct. 26, 2022, several vehicles – including CGL, BC Hydro and RCMP trucks and a BC Ambulance – at the Sunshine Inn in Smithers were set ablaze. No one was injured and the fire didn't cause any damage to the hotel. The RCMP has identified no suspects, but the hotel happens to be within an hour's drive of the Morice River drill site, and many in the community began speculating of possible connections between the arson and violence at the worksite from Feb. 2022. Some of the RCMP vehicles carried the acronym C-IRG, which stands for Community-Industry Response Group – a RCMP unit formed in 2017 to provide police oversight on what they refer to as "energy industry incidents."

Blockades & enforcement – Nov. 2021

- Between September and November 2021, 27 individuals were arrested for being involved in illegal blockades along the Coastal GasLink pipeline route. This includes two independent journalists, which prompted criticism from the Canadian Association of Journalists and other supporters online.
- This was the first time the legal conflict between CGL and supporters of Wet'suwet'en Hereditary Chiefs has escalated into the area of criminal contempt, which involves public defiance of a court order.
- In May 2022, the Crown Prosecution Service announced it would be proceeding with charges against 15 protesters, and in July 2022, they announced charges against four more individuals, including Molly Wickham "Sleydo"of the Gidumt'en. Coastal Gas link announced it would not be pursing civil contempt charges.

- On Nov. 14, 2021, the Gidumt'en provided CGL with a 'mandatory evacuation', with the details of it broadcasted on social media throughout the day. The eviction notice requested CGL remove their workers and equipment from the area. Failure to comply would result in the closure of the Morice Forest Service Road (MSFR), which provides essential access for CGL to and from the workforce lodges and construction sites.
- On the same day, blockades were erected on the MSFR and other areas providing access. Obstacles included felled trees, vehicles and individuals who were challenges access. Video footage can be found online showing CGL's equipment being used to construct blockades on the MSFR. At the time, there were over 500 CGL workers in the area. Critical supplies (food, water etc.) were not able to reach them. CGL was also unable to remove sewage from the worksites as well because trucks could not access the area.
- The elected Chief and Council of the Wet'suwet'en First Nation distributed a statement following the events, identifying the fact that Wet'suwet'en members are working on the CGL project; some of the individuals were trapped in the lodges.
- On the morning of Nov. 18, 2021 the RCMP announced it was moving forward with a rescue and enforcement operation.
- The enforcement kicked off solidarity protests in numerous places including Kitimat, where members of the Haisla Nation staged a walkout. Additional protests have taken place in Victoria, Vancouver, Burnaby, Smithers, Prince George, Toronto and Winnipeg; in Caledonia, Ont. a highway bypass was blocked.

Interim measures term sheet – March 2021

- The Province and the Wet'suwet'en Hereditary Chiefs reached an agreement in March 2021 that provides $7.22 million to support work to implement Wet'suwet'en rights and title. Capacity funding to participate in the negotiations was a condition in the tripartite 2020 MOU.
- According to the financial agreement, the funding will support:
    - Wet'suwet'en in work on governance development, and the shared goal of reunification within Wet'suwet'en Nation. The Office of the Wet'suwet'en will undertake an internal engagement process to advance unity-building, which will be inclusive of all Wet'suwet'en House members.
    - More resources for Wet'suwet'en self-government, including hiring staff and developing governance structures for water stewardship, wildlife programs, eco-system monitoring and other initiatives to enhance collaborative stewardship and management of land and resources in the Yintah.
    - Renovations at the former Lake Kathlyn School property, which Wet'suwet'en Nation bought through a $1.23-million grant from the Province in 2020. The site will be used for a Wet'suwet'en Nation seat of government, with space for administration offices and community resources.

Reaction from Wet'suwet'en First Nation

- The elected council of Wet'suwet'en First Nation opposed the interim measures agreement, with a highly critical media statement on April 21, 2021, which calls the Office of the Wet'suwet'en a "an unelected, unrepresentative, unmandated, unaccountable society".
- The statement alleges their concerns have been repeatedly ignored by the provincial and federal governments, and that negotiations on matters that will affect their rights and interests and the future jurisdiction on their territory have been in conducted in absolute secrecy.
- The statement asks that ongoing negotiations stop until the Wet'suwet'en people can make an informed decision about the process.

Status of negotiations

- The MOU timeline called for the first of several subsequent agreements to be completed within three months signing (May 14, 2020), however, negotiations were slowed due to the pandemic.
- The next agreement, which will affirm title, had an original deadline of August 14, 2020.

- A tripartite joint statement was issued on Aug. 13, 2020, reiterating a commitment from all parties to continue the negotiations.
- External community engagement was initiated, with the first quarterly Regional Engagement Group meeting held on Sept. 10, 2020, with multiple subsequent meetings.
- A Core Advisory Council first met on Feb.10 2021 and met regularly until October 2022. The Core Advisory Council and Regional Engagement Group has been indefinitely paused at the request of the CAC as negotiations have not been occurring.
- The Province will request an update on the funds and a report on their status by March 31, 2023.

Memorandum of Understanding

- The draft MOU was announced on March 1, 2020, after three days of talks on establishing an expedited process to affirm and implement Wet'suwet'en rights and title.
- The MOU was not made public at the time, pending a Wet'suwet'en ratification process with clan members, over which the Province faced significant criticism.
- Following the pandemic declaration, the final clan ratification was carried out virtually and Office of the Wet'suwet'en advised B.C. and Canada of clan approval on April 23, 2020.
- The MOU has been publicly denounced at each stage by elected Wet'suwet'en Chiefs, who have opposed the Province negotiating with the Hereditary Chiefs without their participation.
- The Wet'suwet'en Matrilineal Coalition wrote the Province on Oct. 30 2020 and issued a news release on Nov. 23, 2020 challenging the validity of the MOU, and asserting that the Wet'suwet'en signatories did not have proper authority to do so under Wet'suwet'en law. It also stated they have launched human rights complaints to the BC and Canadian Human Rights Commissions alleging gender discrimination. They call on the Province and Canada to pause negotiations to allow time for a Wet'suwet'en governance healing process. Counsel for the Province and Wet'suwet'en Matrilineal Coalition are meeting to try and agree on a mediation approach.
- Directors of the Wet'suwet'en Matrilineal Coalition hold traditional governance roles in the Wet'suwet'en House system, with Hereditary House Chief status (or alternate status) and Hereditary Chiefs' names. They assert that two Hereditary Chiefs have wrongly assumed their titles.

Reconciliation discussions

- Following a period of heightened direct action on the Morice Forest Service Road in Wet'suwet'en territory in opposition to the Coastal Gaslink pipeline project in early 2019, the Province and Wet'suwet'en Nation started a formal reconciliation negotiation process together in April 2019. (Note: These talks have since been merged with the MOU negotiations.)
- The reconciliation process was not connected to the project, but rather focused on recognizing and implementing Wet'suwet'en title, rights, laws and governance in the territory.
- A traditional smoke feast – an established protocol under Wet'suwet'en traditional hereditary system – hosted by the Laksilyu Clan of the Wet'suwet'en on March 16, 2019 was the first formal step to initiate the rights and title discussions.
- B.C.'s Minister of Indigenous Relations had met with Wet'suwet'en leadership in May 2018 in Smithers, and the Premier and Minister did again in Aug. 2018. At the August meeting, the Premier reiterated that the Province is supportive of LNG.

Previous direct action

- In February 2020, RCMP enforcement of a court injunction that allowed CGL pipeline construction led to the arrests of 28 protestors blocking the project in support of Wet'suwet'en Hereditary Chiefs.
- This followed an unsuccessful attempt between the Province and Hereditary Chiefs to find a peaceful resolution to the conflict over the Coastal GasLink LNG pipeline project through Wiggus (Respect) Table several days before. Nathan Cullen acted as an intermediary to set up the table, after several weeks of protests in support of the Hereditary Chiefs.

ADVICE TO MINISTER

- The February 2020 arrests by RCMP incited six weeks of protests and blockades that shut down railroads and ports across the country. A rally blocked entrances to the B.C. Legislature on the first day of the spring legislative session on Feb. 11, 2020.
- On Feb. 27, 2020, the federal and provincial governments entered into emergency talks with Wet'suwet'en Hereditary Leadership on rights and title and the pipeline controversy.
- The resulting draft MOU to implement Wet'suwet'en rights and title, announced on March 1, 2020, helped diffuse ongoing protests, as has the declaration of a global pandemic since.
- While Wet'suwet'en members and supporters had established the Unist'ot'en action camp back in 2009 to oppose any planned pipelines in the area, the conflict had escalated in late 2018 as CGL prepared to begin work at the site, and obtained an initial interim injunction that led to several arrests in January 2019. The situation further escalated with the Dec. 2019 interlocutory injunction, sought by the company to allow actual construction to begin.
- Wet'suwet'en Hereditary Chiefs issued an eviction notice to Coastal GasLink contractors on Jan. 4, 2020, stating they reject the B.C. Supreme Court injunction granted on Dec. 31, 2019, allowing pipeline construction to continue. Hereditary Chiefs refused to meet with CGL, stating that they would only meet with decision-makers (the provincial and federal governments, and RCMP).
- In mid-January 2020, several small protests in support of the Hereditary Chiefs were held, including at the Swartz Bay ferry terminal, an MLA's constituency office, and the Ministry of Energy, Mines and Petroleum Resources building in Victoria. The latter resulted in several arrests.
- Also at this time, a United Nations committee called on Canada and B.C. to stop three projects – the Coastal GasLink pipeline, Site C, and Trans Mountain, until there is full First Nations consent. B.C.'s Human Rights Commissioner also called on the Province to stop the CGL project.
- On Dec. 20, 2019, The Guardian had published a story that RCMP documents show the RCMP was prepared to use "lethal oversight" and other inflammatory references regarding the confrontation between police and protestors at a Gidimt'en checkpoint on the forest service Road that led to the arrests in January 2019.
- Coastal GasLink has agreements with all elected councils of the 20 First Nations along the pipeline route, and the Province has engaged extensively with both elected and hereditary representatives on the project over a number of years.

Communications contacts: Leanne Ritchie

Program area contacts: Stewart Dickson/Cory Waters

Q&A – BC-Blueberry River First Nations Implementation Agreement
Date: Jan 18, 2023
Updated: Feb. 2, 23

Key Messages:

- Our government is taking steps to right past wrongs, and uphold the legally protected treaty rights of Blueberry River First Nations and all Treaty 8 Nations in B.C.

- That is why on January 18, we signed an historic agreement with Blueberry River First Nations, to create a new path forward for responsible resource development in northeast BC, that protects treaty rights.

- That same day, we signed agreements with four Treaty 8 First Nations: Saulteau, Doig River, Halfway River and Fort Nelson.

- These agreements will accelerate our joint work to assess and manage for cumulative effects, to heal the land through restoration activities, and advance a new path for land and natural resource management in Treaty 8 territory.

- We chose a path of negotiation, of agreement making, and are now focusing on implementing those agreements with our First Nation partners.

- Together, we will make decisions on the land that ensure Treaty 8 Nation members can meaningfully exercise their constitutionally protected rights to hunt, trap, fish, and carry out their traditional way of life.

- At the same time, we are creating stability and predictability for communities and companies in the region, who have invested in the region, and who call it home. These decisions will help build a positive future for everyone in the Northeast.

- We need to come together to heal and restore the land, demonstrating how a new way of working in partnership to steward land and resources can not only be possible, but also prosperous.

- This is important work for all of us; it's about leaving the land in a good way for future generations and honouring a long-standing treaty which all British Columbians have benefitted from.
- Caring for the Province's land, water and resources matters to all British Columbians.

Q&A next page

Questions & Answers: note – updated QA's based on MLA briefings begin on this page.
General QAs begin on p. 11

1: After 18 months of negotiations with BRFN, when will we see the agreement posted?

- The agreement will be publicly posted in the coming weeks, as part of our joint implementation approach agreed to with Blueberry River.
- We expect agreements signed with other Treaty 8 Nations (Fort Nelson, Saulteau, Doig River and Halfway River First Nations) to be posted at the same approximate timeframe

2: Should we expect parallel processes with the other Treaty 8 Nations, given territory overlaps?

- On January 20th, we announced agreement on a Consensus Document with four Treaty 8 Nations: Halfway River, Doig River, Fort Nelson and Saulteau First Nations. We continue talks with the three First Nations who have not yet signed agreements and hope we can sign similar agreements in the weeks or months ahead. This includes West Moberly and Prophet River First Nations and McLeod Lake Indian Band.
- The Consensus Document lays out a comprehensive path for our governments to walk together and work together on several topics of shared interest including land protection measures, healing the land, and a new revenue sharing approach to resource development.

3: Is there a compensation mechanism for impacted tenure holders? If so, what? (E.g., woodlots, oil and gas)

- We are working with current tenure and licence holders to reduce the disruption this may cause to their businesses.
- The agreement with Blueberry River includes a commitment to stop almost all timber harvesting in their HV1 areas, which are of cultural importance to their community.
- There are 5 existing Woodlot Licences that will be affected by the agreement and compensation will be provided.
- Compensation will depend on the location and value of the licence. The total amount to active woodlot licence holders is expected to cost approximately $1.5 million.

- For other resource tenure and licence holders who are materially impacted by the Province's actions to protect treaty rights, there may be future discussion on compensation.

4: Sounds like there is good and bad news for High Value 1 (HV1) areas; outside these areas, should we expect permits to proceed?

- HV1 areas are culturally important, and the Province has agreed to reduce new disturbance in these areas to a significant degree.
- This means less new disturbance from oil and gas activities, and removing these areas almost exclusively from the forest sector's allowable timber harvesting area.
- For both HV1 and the surrounding areas, we can expect new watershed-level land use plans that re-set the balance of resource development activities, and confirm what activities can occur where and based on what land management objectives.
- Until this planning is complete, there are a set of initially supported activities for both forestry and oil and gas that Blueberry River has agreed to. Final decisions to authorize activities continue to rest with Provincial statutory decision makers.

5: Can you explain this 50% disturbance reduction and how that will provide certainty and limit job loss?

- One purpose of our agreement with Blueberry River is to set a new, balanced approach to resource management and the protection of treaty rights in Blueberry River's Claim Area.
- To accomplish this, we set a goal to reduce new disturbance from oil and gas activities by approximately 50% in HV1 areas, being culturally important for Blueberry River to practice their treaty rights.
- This expectation will drive innovation in activities where disturbance has already occurred, and focus development in a more concentrated way.
- This is a limit on new disturbance and not oil and gas production.
- The agreement creates stability and predictability, and a new pathway for industry to operate, that ensures First Nation supports and protects treaty rights; that is something we should all be able to agree is the right way forward.

7: Have you spoken to industry (Petroleum and Gas (PNG) specific) about this deal, and what has been their feedback?

- The Province was in regular contact with industry throughout the negotiations and hosted the first briefing of the agreements with the PNG sector within a week of signing these five agreements.
- From these conversations, we recognize that regulatory change will take time to adapt to, and that companies are seeking as much information as possible to examine their planned projects and adapt to the new normal that is being created.
- We acknowledge that the negotiations to get to an agreement took the necessary and appropriate amount of time to jointly find solutions to managing for cumulative effects, and now that agreements are in place, industry will get the greater clarity and predictability they seek.
- As is noted in the quotes from industry in the announcements made on January 18 and 20 about these agreements, we believe industry does support the reconciliation pathway the Province and Nations have agreed to, and responsible resource development is in everyone's interest.
- For example:
  - Michael Rose, President and CEO of Tourmaline Oil Corp said "this new framework will create significant prosperity for the people of BC, Blueberry River First Nations, and all the Treaty 8 First Nations, and for industry:
  - Lisa Baiton, president and CEO of Canadian Association of Petroleum Producers said the agreement "enables the responsible development of BC's rich natural resources in a way that ensures mutual benefits for industry, Indigenous Nations, and British Columbians across the province."
  - Tristan Goodman, president and CEO of The Explorers and Producers Association of Canada said "the agreement…provides much needed clarity to move forward with natural gas development".

9: Recognizing the industry quotes in the news release, is there a mechanism in place to get application decisions restarted again, and what are the details?

- Our agreement with Blueberry River provides for some initial applications to move to decision with provincial statutory decision makers.

- This includes approximately two years' worth of timber harvesting for the forest sector, and over 120 specific oil and gas activities important to PNG companies holding tenure in Blueberry River's Claim Area.
- The Province and the BC Oil and Gas Commission continue to work through consultation outside of Blueberry River's Claim Area with Treaty 8 Nations.

10: Is there an end date to the agreement?

- Our agreement with Blueberry River is intended to align with Treaty 8, meaning it has an enduring nature to support treaty rights protection.
- There are opportunities for annual reviews of implementation progress and agreement effectiveness, and a provision for a formal three-year review.
- There are components that will have to be updated as we go, such as once some planning measures are complete, or after the three years agreed to for economic benefit measures. These will, by their nature, require an amendment to the agreement.
- Our agreements with the four Treaty 8 Nations (Fort Nelson, Doig River, Halfway River and Saulteau) are in place until March 31, 2024. These agreements can be extended or replaced.
- I expect the progress with Treaty 8 Nations in implementing these agreements will lay a foundation for future, longer term agreements to promote responsible resource development, and support the meaningful practice of Treaty 8 rights.

11: What certainty do these agreements actually provide, now that we're seeing job loss and hearing of investment leaving northeast BC for other jurisdictions?

- I'd like to remind folks that a very serious and important decision was made by the BC Supreme Court in June 2021.
- The court found that the Province had not lived up to the treaty we signed with Blueberry River, that the decisions made by consecutive provincial governments had infringed Blueberry River's treaty rights, and that the Province could not authorize any more activity in Blueberry River's Claim Area without justification.
- Getting to an agreement with Blueberry River provides for the stability and predictability that many seek, to better understand and confirm what responsible resource development can look like, and how we can

ensure Blueberry River's treaty rights are protected. This has been court direction for nearly two years.

- Our agreement with Blueberry River includes initial measures for both parties to gain some stability in how we start to implement our agreement, and commits us to longer term measures and expectations.
- For the initial measures, the Blueberry agreement includes approximately two years' worth of timber harvesting for the forest sector, and over 120 specific oil and gas activities important to PNG companies holding tenure in Blueberry River's Claim Area.
- It also requires the Province and Blueberry River to confirm new consultation processes for natural resource activities within the first three months, or by late April.

12: How does this agreement impact some of the southern Nations with overlap particularly south of the Peace, with WMFN and SFN?

- All Treaty 8 Nations share Treaty 8 territory. There have always been overlaps in areas the different Nations use to practice their treaty rights.
- So there are areas where overlaps occur, and the Province and these Treaty 8 Nations, including Blueberry River, will have to work together to form agreed measures of how to better craft the balance of responsible resource development and treaty rights protection in these areas.
- There are some measures in the five agreements signed with Treaty 8 Nations to continue to work together in these areas.
- This topic is of continued interest and is not new.

13: Did you do any economic studies to get to these agreements?

- The Province did conduct economic analysis on the impacts of the BC Supreme Court decision and measures considered in the development of our agreements, particularly with Blueberry River.
- For the last two years, we have also received economic information from our First Nations partners and stakeholders which informed government decision making.
- We are pleased we've reached agreement with five Treaty 8 Nations; we hope to find agreement with all eight Treaty 8 Nations, and get to work to implement our agreements.

14: Will there be an expansion of rules or interests by Blueberry River outside the Claim Area now that there is an agreement?

- The negotiations with Blueberry River are in response to their court case and the BC Supreme Court decision, which was specific to a defined Civil Claim Area, or Claim Area for short.
- Being a response to the court decision, the agreement with Blueberry River is specific to their Claim Area.

15: What will you be doing to work with other Nations who have similar concerns re: cumulative effects?

- We have five new agreements in place to advance measures to better protect Treaty 8 rights, allow responsible resource development, and assess and manage for the cumulative effects of industrial development.
- These agreements stem from a fact-specific court case, advanced by a First Nation who holds an historic treaty.
- We have a provincial ministry where cumulative effects are a primary focus.
- I think what is important here is that the Province is making right some past wrongs which were confirmed by the courts.

16: What happens when the next Treaty 8 Nation takes you to court on CE?

- We have agreed with five Treaty 8 Nations to reconcile past wrongs through negotiation and collaboration and believe that will result in better and lasting outcomes for all those involved.
- In each of our five agreements, we have agreed to continue on a path together to implement these agreements.

17: Will development projects that are already in progress in the Blueberry River First Nations' territory be impacted by this agreement?

- Most activity that has occurred on Crown land within the Claim Area since the court decision are from activities Blueberry River has already approved.
- Since then, very few authorizations have proceeded.
- Our agreement sets out a variety of forestry and PNG activities to support continued employment and economic activity, while we embark on some new planning work together.

18: Can you provide us details on the accountability and governance built into these agreements?

ACCOUNTABILITY

- Our agreement with Blueberry River, includes specific expectations with corresponding target dates, such as HV1 restoration and development planning to be completed within 18 months.
- There are annual reviews built in for the first two years, to check in on progress and pursue any modifications to our agreement.
- We have structured a formal review of the agreement's implementation at the three-year mark, where Blueberry River and the Province can seek support of a third party to provide nonbinding recommendations on progress against our agreement's purposes, goals and deliverables.
- If one signatory does not follow through in implementing what we've discussed, there are avenues for dispute resolution.

GOVERNANCE

- With Blueberry River, the governance for implementing our agreement will be based on a series of working groups to deliver the different components of the work, with oversight through an annual review process between elected officials.
    - An example of a working group will be one assigned to watershed-level land use planning, or WMB plans as the agreement refers to them.
- As we begin to implement the agreement there will oversight from senior BC officials and staff, to ensure the Province is instilling the path of a new partnership together with the Nation.
- Our agreements with the Saulteau, Doig River, Halfway River and Fort Nelson Nations are premised on a co-developed "Consensus Document," which requires us to develop a joint workplan and share in delivery.
- There will be times where bilateral government-to-government discussions and work occurs, but the focus is more on collective solutions and collective work, as Treaty 8 territory is shared and each Nation has the same rights under the treaty.
- The agreements include a dispute resolution process.

19: Are there coordination tables, between Blueberry River, the Province and the Treaty 8 Nations? Who would sit on those tables and to what timeline are they held?

- Yes, the Province expects there will be some coordination tables between the different Nations and us – after all, we're talking about the same land base under Treaty 8.
- Having just signed agreements in January, we are working on the implementation specifics now with our Indigenous partners.
- There are a couple examples of coordination tables I can share with you:
    - On wildlife, we expect the Nations will work together with the Province at a technical level to develop and implement new wildlife inventory and monitoring plans, to get a better sense of various wildlife population status and health.
    - On restoration and healing the land, we expect the two Restoration Funds announced to coordinate between each other, so that restoration activities are not duplicated, each Nation and Restoration Fund should have information about where planned and current projects are ongoing to restore the land.

20: What accountability measures are there for the instance where one party isn't matching the stipulations in the signed agreement, or for revisions in the case that something must change?

- In our agreement with Blueberry River, should it be required, a dispute resolution process can be triggered.
- The agreement's progress and effectiveness will be reviewed after years one and two and will undergo a more formal review in year three.
- With the four signatory Nations to the Consensus Document, either the Province or a First Nation can ask to pursue mediation or termination if a dispute cannot be settled, or if one party is not performing as per the agreement.

General

1. **What can you tell us about the agreement with Blueberry River?**

- The Province and Blueberry River First Nations have signed an agreement that initiates a new approach to natural resource management and protection of Treaty rights.
- It includes enhancing restoration to heal the land, creating new areas protected from industrial development, and both supporting and constraining development activities.
- We'll do this through a series of interim or transitional measures while we plan together for longer term commitments.
- The focus is on balancing protection of Treaty rights and healing the environment, while maintaining a sustainable and clean regional economy.
- We believe this approach will bring stability and predictability for everyone living in the Northeast, and those involved in natural resource development.

2. **What are some of the major highlights from the agreement, and how they impact natural resources?**

- Healing the land from years of industrial development is a key priority, so we'll be co-managing a restoration fund of up to $200 million dollars.
- On oil and gas development, we're focusing on:
    - new disturbance in areas that are already developed,
    - permanently protecting some areas from new development, and
    - limiting overall new disturbance.
- We're also using comprehensive planning as a tool to guide our future work.
- For example, bringing everyone involved in oil and gas planning together to work on development plans before activities are authorized.
- We're reducing timber harvesting in areas of cultural significance to Blueberry so forests can mature back to a healthy state.
- Another major focus of the agreement is on wildlife co-management. Measures include:
    - cultural burning to improve wildlife habitat;
    - bringing together Indigenous knowledge and western science to improve information;
    - more focus on moose management and support for caribou; and
    - a community stewardship and guardian program.

- We have also agreed to some comprehensive land use planning at the watershed level.

3. What sort of financial package comes with this agreement?

- We've agreed to contribute approximately $87.5 million over three years to Blueberry River, including economic benefits and supports for agreement implementation.
- In addition, under our UN Declaration commitments, the Province will negotiate further with First Nations on a new fiscal framework to support them in fulfilling responsibilities, caring for citizens and managing lands.

4. Why has it taken so long to get to an agreement? The court set aside six months.

- I understand this process has been incredibly hard for many people who've faced uncertainty over the past several months.
- It is also important to acknowledge that the cumulative impact of industrial activity happened over decades. This is generational work, and it takes time.
- In partnership, we've initiated a new approach to natural resource development that protects the Nation's rights and addresses cumulative impacts.
- The negotiations were carried out with Blueberry River in a way to ensure that solutions will provide the stability and predictability that industry – and everyone in the Northeast – needs.
- People came together in a respectful and positive way, and did a lot of incredibly hard work to get to an agreement.

5. How would you characterize or describe the negotiation process with Blueberry River over the past year plus?

- People came together in a respectful and positive way, and did a lot of incredibly hard work.
- These types of negotiations are never easy.
- Both teams collaborated on truly unprecedented outcomes, and I'm impressed by the work done and applaud everyone involved for getting us to this historic milestone.

6. **How will this agreement impact industry?**

- The negotiations were carried out with Blueberry River in a way to ensure that solutions will provide the stability and predictability that industry – and everyone in the Northeast – needs.
- It's critical to keep in mind that there was a court case into this matter.
- We sat at the table with Blueberry, and we worked to develop solutions that would address the court's findings, its declarations, and our shared interests.
- And these solutions ultimately will provide more predictability and stability for industry when it comes to land decisions.

7. **How does this agreement advance government's goals for 30 x 30?**

- The Agreement include a commitment to land protections in Blueberry River's high-value areas, which includes more than 650,000 hectares of protection.
- Additional areas of conservation will be developed through the land use planning processes that are committed to in the agreement and guided by Ecosystem Based Management.
- In Blueberry River's most important cultural areas we are stopping timber harvesting, save for a number of small woodlots.
- In these same areas, we have agreed to protections from further oil and gas development over approximately 17% of Blueberry River's Claim Area.
- Overall, these conservation measures will help restore the land and support government's progress towards 30% conservation of lands and freshwater by 2030.

If pressed further on lack of protections in this area:

- The boreal plains ecosystem, which makes up the majority of Blueberry River's Claim Area, is less represented in the provincial protected areas system, as compared to some other areas in B.C.

8. **Will this agreement address or impact the current backlog in provincial permitting?**

- I can only speak to the opportunity for new authorizations and activities in Blueberry River's Claim Area, which is the focus of this agreement.
- Now that we have an agreement we can start to consider applications for natural resource activities that align with the new rules and expectations.

- It's important to note that existing permits and new authorizations will be subject to the agreement – and that without the agreement, few if any permits would progress.

9. How many existing development applications are in the waiting?

- I'm not sure how many companies or organizations have an interest to advance activities or projects in Blueberry River's Claim Area.
- Now that we have an agreement we can start to consider applications for natural resource activities that align with the new rules and expectations.
- The Agreement outlines some oil and gas and forestry activities that we have agreed to and that can proceed.
- There are also applications received for other natural resource activities that will be reviewed shortly.

10. Will this agreement change how the Province handles land use planning or permitting applications in other parts of the Province (non-Treaty 8 territories)?

- The agreement is focused on Blueberry River's Claim Area.
- What the Province learns from implementing it may influence provincial policy or programs in other areas of the Province, where cumulative effects is a significant issue.
- I want to remind folks here that this agreement is in response to a court decision that said the Province infringed historic treaty rights.
- And the specific nature of the case focused on aspects that are unique to this area, like PNG production.

11. Will mineral exploration be impacted by these agreements?

- No, Blueberry River's Claim Area predominately covers the boreal plains where there isn't substantial mineral resources or interests.
- Aggregate resources are an exception, and the ability to consider aggregate applications will be important.
- The agreement is expected to improve our consultation processes over time, which will provide greater predictability for applicants.

12. How soon will we start to see Indigenous Protected and Conservation Areas (IPCAs) or other protection mechanisms in place in the Claim Area?

- There is a lot in this Agreement to implement.

- And there are some actions we will have to take before we can establish protected areas, like pausing certain activities to carry out technical work and plan for protected areas.
- There also could be new regulatory options required to create something like an IPCA.
- Blueberry's most culturally sensitive areas are a priority.
- I don't want to speculate how long this will take but there are expectations in the agreement around completion timelines.

13. Walk me through the timeline on Restoration funding through to 2025. When is funding available?

- B.C. and Blueberry River are establishing a Restoration Fund, with joint oversight and Indigenous-led delivery.
- There will be $200 million in the Restoration Fund before the end of 2025.
- A first payment of at least $\overset{\text{Intergo}}{\text{vernm}}$ million will be made to the Fund by March 31 of this year.
- As soon as the Fund is up and running with core staff and governance policies in place, we expect the process of reviewing and approving restoration plans and proposals to begin.

14. Specifically how does this agreement protect Nation members' treaty rights to hunt, trap and fish? When will they be able to fully engage in their treaty rights again?

- The Treaty 8 right is the ability to hunt, fish and trap, and practice their traditional way of life.
- This Agreement substantially increases the amount of area protected from new natural resource development.
- It sets forth a requirement to adopt an ecosystem-based management approach in the land use planning we do together so that healthy, fully functioning ecosystems coexist with human communities.
- The Province and Blueberry River will start to identify and measure how the access and ability to treaty rights practice is improved, as we implement this Agreement.

15. Is the agreement available publicly? If not, why?

- Not yet, but it will be soon – within the coming weeks.

16. How do you intend to keep people informed about implementation of the agreement going forward?

- We will post the agreement in the coming weeks.
- Provincial staff will organize technical briefings and discussions for stakeholders during the same time frame, so folks can be walked through the details.
- As implementation progresses, we will continue to communicate regularly with local and regional governments, stakeholders and industry.

17. How do you respond to criticism this was done in secret? How have people been kept informed?

- We have a strong track record in the Northeast of information sharing at the regional Northeast Round Table, where we have been bringing updates regarding a variety of provincial initiatives including these negotiations.
- Provincial staff meet regularly with local mayors, regional directors and industry leaders with updates on engagement and negotiations to the extent possible.
- We stand by the way in which we conducted negotiations, with our partners at the table, having important and internal discussions.

18. Any idea how this is landing with both Indigenous and non-Indigenous Peoples in the Northeast?

- This news is very fresh, so it's too early to tell.
- The work we're carrying out in partnership with **all** Treaty 8 Nations is vital for stability and predictability for everyone in the region.
- Not only are we responding to the BC Supreme Court's declarations, we're also honouring the treaty that was signed well over 100 years ago.
- For decades B.C. governments have made natural resource decisions in a manner that led to the infringement of Blueberry River's treaty rights, which are constitutionally protected.
- Now we're taking steps to right past wrongs, and uphold the legally protected treaty rights of Blueberry River First Nations.
- This is important work for all of us; it's about leaving the land in a good way for future generations.
- This is the message we need to share with people as we leave here today.

19. Are you concerned about racist activity?

- Racism has absolutely no place in British Columbia, and any such activity will immediately be addressed.
- It's important, as British Columbians, to recognize we're all on this path to reconciliation together.
- Government staff is here to work with people, to answer their questions, but will not tolerate hateful or racist behaviour.
- This Agreement is the result of the Province making a series of decisions over time that did not uphold our Treaty 8 commitment, and that was wrong.
- We need to do better, and we will do better.
- It's important that we all stand together to actively denounce any acts of racism and nurture communities where everyone feels safe.
- As a society, we have a decision to make about which side of history we want to be on.

20. What will you do to address any racism that occurs?

- We have a crisis communications approach in place for responding to reported racist incidents.
- It includes ensuring that anyone reporting a racist incident is supported and feels safe to come forward.

Oil & Gas

21. How does an oil and gas revenue sharing agreement work – how much will it provide to Blueberry River First Nations?

- A comprehensive financial package includes economic benefit payments over three years.
- Blueberry River may opt-in to an oil and gas revenue-sharing model in years two and three.
- The formula is based on sharing 10% of oil and gas royalties with all Treaty 8 Nations.
- A new fiscal framework will be developed with all Treaty 8 Nations over the next two years.

22. How will this agreement help heal the land from decades of oil and gas development?

- Going forward, we'll partner with Blueberry River on a comprehensive approach to land management.

- This will include:
    - expedited restoration of historical disturbances;
    - conservation of culturally and ecologically sensitive areas; and
    - planning initiatives that direct how and where development can occur in a way that respects treaty rights.

23. How will the oil and gas industry react to this announcement?

- The oil and gas industry will likely be relieved to have some predictability restored with respect to development.
- That said, this agreement brings significant changes to natural resource management in Northeast B.C. and it will take time for industry to adapt.
- There are new land use designations for high value areas which will be protected from some kinds of development and have new rules constraining activities.
- New development, restoration and land use plans will be required in several watersheds.

24. What impact will this agreement have on the oil and gas industry in BC?

- This agreement means changes to how and where surface disturbances related to oil and gas extraction and processing may occur.
- There will be an adjustment period as companies adapt to these changes and as planning initiatives are undertaken.
- The Province will be meeting with companies, industry associations, local government and stakeholders to discuss all of this.

28. What measures are you bringing in to reduce disturbance from PNG?

- Wherever possible, we're focusing disturbance from PNG in areas already developed.
- New disturbance will be reduced by approximately 50% from pre-court decision years.
- We're setting a cap on overall new disturbance from PNG activities in Blueberry River's Claim Area, designated at 750 hectares, until further detailed planning and restoration activities can be developed and agreed to.
- Planning will be an important tool in the success of this work; operational and strategic plans will apply to all new proposed activities.

29. How will these caps impact B.C.'s ability to reduce its CleanBC GHG targets?

- The effect of caps on land disturbance from natural gas activity will depend on how they are implemented in each instance, which makes it challenging to provide an estimate on greenhouse gas emissions in the future.

30. How many jobs may be lost? What will be the impact to government revenue from a downturn in oil and gas development?

- The Agreement increases certainty on the land base by implementing a cumulative effects regime that will enable future responsible development.
- Jobs are always dynamic. While we will see the rules for development in the energy sector changing in key areas, activities will continue.
- There will also be new jobs in the environmental restoration sector through significant investments by the Province and energy companies over the coming years.
- Blueberry River will be leading new restoration projects to address legacy disturbances on the land base, which will create new demand for restoration services and contracting.

31. Will Site C be affected by this agreement?

- No, this agreement does not directly apply to the Site C project and construction is proceeding.

32. How will this agreement impact natural gas supply for companies in B.C., such as Fortis BC, that supply customers living in the province?

- There are no negative impacts to domestic gas supply anticipated as a result of the agreement.

33. Will this agreement result in higher supply costs, and increased costs passed on to BC consumers?

- BC consumer pricing is based on commodity prices.
- Fluctuations in the cost of production are not anticipated to directly impact B.C. consumers at this time.

34. How will these agreements impact B.C.'s potential to produce and supply blue hydrogen (hydrogen produced using NG to power compression)?

- The potential for new hydrogen production projects is not directly impacted by the agreement.
- Hydrogen projects and new investments in this sector will continue to be pursued by proponents.

35. Will the reduction in oil and gas exploration have an impact on LNG Canada? Will there be enough natural gas from B.C. to supply the project?

- B.C. has been engaging LNG Canada partners on potential impacts.
- The Agreement includes mechanisms that will affect how and where gas producers carry out new development activities.
- These limitations on new land disturbances in key areas, and planning requirements, will impact the timing and nature of certain types of new developments.
- The Province will work directly with LNG Canada partners to help them navigate changes.
- We believe that LNG Canada will be able to source sufficient gas supply for the project.

Forestry

36. What is being announced related to the mandate of the Ministry of Forests?

- In areas of greatest cultural significance to Blueberry River large scale commercial timber harvesting will be deferred for up to four years. A handful of small, locally owned woodlots will continue.
- The use of aerial herbicide will be prohibited in commercial forestry operations within Blueberry River's territory.
- Through comprehensive land use planning, we'll identify areas for future timber harvesting.
- We're also developing new water policy and decision-making approaches in key river basins
- And we've agreed to work together towards wildlife co-management, improving information on wildlife populations bringing together Indigenous knowledge and western science.

37. How will changes to forestry activity impact British Columbia's GDP?

- We recognize that there will be a financial impact, but that is yet to be determined.
- Within the agreement there is support for forestry activities to proceed outside of the protected areas.
- It is expected that the forest activity footprint will be less than it has been, with a focus on retaining old growth and reduction of timber harvest to ensure a diversity of forest stands across the Claim Area.
- The agreement includes a two-year harvest schedule where timber harvesting and related road building can occur outside high value areas while land use planning activities are initiated.
- The two-year harvest schedule is intended to support local manufacturers while planning is underway to transition to a new commercial forest regime under ecosystem-based management (EBM) approaches.

38.How will Woodlot Licence changes impact licensee holders and existing business operations?

- We are working with current licence holders to reduce the disruption this may cause to their businesses.
- There are 5 existing Woodlot Licences that will be affected by the agreement and compensation will be provided.
- Compensation will depend on the location and value of the licence. The total amount to active woodlot licence holders is expected to cost approximately $1.5 million.
- Working in collaboration with First Nations, we are addressing the backlog of licence applications in a way that respects Treaty rights and builds on Indigenous stewardship of their lands.

39.What does losing 350,000 cubic meters per year in timber harvesting mean for the allowable annual cut and jobs?

- This equates to approximately a 15% reduction to the assigned AAC for the Fort St. John Timber Supply Area.
- Without an agreement, the court decision stands, and the Province cannot continue to authorize natural resource development without Blueberry River's consent, as it would mean further infringement of their treaty rights.
- This agreement provides certainty which means the opportunity to sustain forestry and natural resource sector jobs into the future.

40.With the reduction of 15% of the AAC will companies be compensated and will mills remain open?

- Compensation will be provided to forest companies where required.
- The agreement lays out a two-year timber harvesting schedule which is expected to support local mills as the sector works through planning and transitioning to a new forest regime under ecosystem-based management (EBM) approaches.

41.What does this mean for provincial licence applications elsewhere in the province?

- Cumulative impact will be a consideration as we move forward for Treaty 8 and the province more broadly.

42.How will this impact BC Timber Sales?

- BC Timber Sales supports government's commitment to true, lasting reconciliation with First Nations.
- It is too soon to calculate what effects the agreement may have on Annual Allowable Cut in Blueberry River territory and BCTS apportionment.
- Forestry planning is a topic we will be working closely with Blueberry River on in the coming weeks and months.
- Watershed Management Basin (WMB) plans are expected to be initiated immediately and will be the process to identify areas for future timber harvesting.
- Ecosystem-based management will be implemented into forest planning approaches; this includes a focus on keeping old growth forests.
- BCTS is committed to working through this planning process and expects that there will be changes to their forest practices and sales.

43.At a time when there is already a reduced timber supply, how will forestry deferrals further impact forestry workers, mill operations and industry?

- We recognize that these decisions may cause concern for those that work in the forestry industry in the Northeast and around B.C.
- Blueberry River has been clear that they support a strong economy in their territory.

- We are working with Blueberry River and other Treaty 8 Nations to manage forestry applications in a way that balances a stable economy, environmental sustainability and protection of treaty rights.

44.Will non-Indigenous forestry companies be allowed to own tenure in BRFN territory?

- Yes, it is expected there will be a variety of tenure holders.
- The Province encourages tenure holders to build relationships with Blueberry River and other Treaty 8 Nations to support treaty, environmental, economic, and social values.

45.This agreement and TLE will remove a large amount of timber from the AAC. Is Blueberry River still planning to have forestry operations?

- The Province will be working with Blueberry River to provide forestry tenure that supports the Nation's community, ecological and economic interests.

46.Will BRFN have to follow provincial standards when logging their territories?

- The Agreement lays out guidance and practices under an ecosystem-based management model that considers a variety of values that forest tenure holders, including Blueberry River, will be following in their forest management practices.
- In addition to implementing an ecosystem-based management model, Blueberry River, like other tenure holders, will be required to follow the expectations laid out in their tenure agreement.
- The Ministry of Forests will continue in its oversight of forest practices and compliance.
- The expectation is that we will be working more collaboratively with all Nations and as a result of planning, there may be new land use objectives developed and recommendations for policy or legislative changes.

47.There have been no new natural resource activities authorized in the Claim Area since the court decision, or at least not on Crown land. When can applicants expect to receive their tenure?

- The Province and Blueberry River agree to co-develop a new consultation process for land, water, wildlife and other natural resource activities within 90 days.

- A separate and new consultation process will be advanced between Blueberry River and the BC Energy Regulator, formally known as the BC Oil and Gas Commission.
- There are existing applications for a variety of activities and there is agreement to work through that list in a timely way and consider applications and make recommendations.

48. Will activities such as wildfire mitigation and prescribed burning occur in the territory?

- Addressing forest health and wildfire risk to communities is vital.
- So yes, in collaboration with Blueberry River and other Treaty 8 Nations wildfire risk reduction will continue to occur.
- The agreement supports cultural burning to reduce risk to communities and promote habitat improvements, which of course is important to treaty rights.

49. Will this announcement impact wildfire risk mitigation projects in the area?

- We will continue to partner with industry, local governments and First Nations in our work to reduce wildfire risk in B.C.
- This includes ongoing programs with BC Wildfire Service for First Nations communities to help fight wildfires and to strengthen the resilience of First Nations communities against wildfires.

Water

50. The agreement references management of water. What will that mean for applicants? Will improvements be made to address droughts and flooding?

- There will be new policy and decision-making approaches to water authorizations within a designated pilot area for three Watershed Management Basins.
- We need to address water quantity as the area regularly faces low flows during the winter and summer, and we need better information, monitoring and limits to water use based on drought.

51. What is the purpose of the Watershed Management Basin plans?

- The Watershed Management Basin Plans are land use plans at a watershed scale, as compared to another geographic area.
- We have agreed to create these plans as a way to identify where future natural resource activities can occur and under what expectations or rules.
- They will support establishing ecosystem-based management on the land to bring more balance to protection of Treaty 8 rights and the ability for economic activity.

Wildlife

52. How will the public be involved in wildlife management decisions?

- Wildlife management is a significant priority for Blueberry River and the Province.
- Blueberry River and the Province will be working together towards wildlife co-management.
- A first step is improving information on wildlife populations. Engaging with the public and stakeholders will be incorporated in planning.
- The goal is to bring together Indigenous knowledge and western science to inform wildlife management decisions.
- A focus will be on improving moose populations and habitat management and hunting regulations will be part of that.

53. There's been a lot of attention on the Province's controversial predator management program lately. This agreement continues that work. When do you see an end to the wolf cull?

- The Province and Blueberry River First Nations continue to support the recovery of caribou as a species-at-risk, and have agreed to continue to take the necessary management actions to advance this work.
- The right to caribou, and the importance of caribou on the land, is a treaty right.

54. Can we expect to see more moose hunt restrictions? Can you share details about this?

- The Agreement includes a component on wildlife management, which keeps the door open to take management actions to ensure Blueberry River members have access to moose, which are an important part of the culture, and a treaty right.
- Future regulatory changes will be subject to reviewing the results of this year's licenced hunting season, new inventories of moose, and other relevant information.

- I cannot speculate further at this time if more changes will be proposed as we go forward.
- It is certainly work we have to do with all Treaty 8 Nations.

Environment

55.The Agreement states the Province will dedicate a conservation officer to the nation and fund the launch of a community stewardship and guardian program. Can you provide more details?

- We committed, as part of the Declaration Act Action Plan, to provide a conservation officer dedicated to Blueberry River First Nations.
- And we support Blueberry to create their own stewardship and guardian program by providing initial funding.
- On or before March 31, 2023, the Province will provide Interg overn million over the next three years in support of Blueberry in this.
- The program would be responsible for:
    - monitoring resource development activities within high value habitats;
    - participation in the preparation of wildlife inventories;
    - participation in game checks;
    - participating in exercises with the conservation officer dedicated to BRFN; and
    - participating in environmental monitoring activities and training.

56.Can you provide more detail on the prohibition of aerial herbicide use?

- The agreement bans aerial herbicide applications for commercial forestry activities, reforestation or other silviculture work within the claim area.
- Herbicide use will only be permitted by the Province with Blueberry consent and will be considered jointly by both parties on an application-by-application basis.
- The ministry only oversees the issuance of permits. The Ministry of Forests is responsible for implementation.
- The Province agrees to implement ecosystem-based management approaches for future forestry, and other natural resource sector activities -promoting ecosystems over extractive activities.

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE **Ministry of Indigenous Relations & Reconciliation** **Date:** Feb 10, 2023 **Minister Responsible:** Hon. Murray Rankin	**Treaty 8 Consensus Document**

ADVICE AND RECOMMENDED RESPONSE:

- **Our government – with Treaty 8 Nations – has co-developed a set of initiatives for how to evolve the management of lands and resources together.**
- **We call this our "Consensus Document," and it lays out a comprehensive path for our governments to walk together, and work together, on a variety of topics of shared interest.**
- **This work is about advancing our treaty relationship together – which includes the need both to protect and uphold Treaty 8 rights, and to ensure British Columbians, especially those living and working in Treaty 8 territory, have a better understanding of Treaty 8.**
- **Honouring Treaty 8 will be an ongoing focus, and ensuring we all have a good understanding of what Treaty 8 means, is a critical part of B.C.'s work to advance reconciliation and meet the expectations of the court in the Yahey Decision.**
- **We will continue engaging residents in the region to ensure a clear and consistent flow of information.**

<u>Letters of Agreement</u>

- **The Letters of Agreement with Halfway River, Saulteau, Fort Nelson and Doig River First Nations confirm the parties' commitments set out in the Consensus Document.**
- **In some cases, the agreements also provide further nation-specific clarity and commitments for action.**
- **All agreements provide an unparalleled opportunity for sharing in decisions together and for healing to begin.**
- **Together with Treaty 8 First Nations, we will make decisions on the land that ensure all Nation members can meaningfully exercise their rights, while building a healthy, stable and secure future for everyone.**
- **This is important work for all of us; it's about leaving the land in a good way for future generations and advancing meaningful reconciliation with First Nations.**

Cumulative effects

- **Through the Consensus Document, together we will implement a cumulative effects regime that will create ways to assess and manage the cumulative impacts, while enabling future responsible development.**
- **The historic document describes our obligations to uphold the constitutionally protected rights of Treaty 8 First Nations and help restore the environment.**
- **It also supports responsible resource development and economic activity in the northeast.**
- **This will ensure that, together, the Province and First Nations are stewarding the land to achieve sustainability for future generations.**

Revenue sharing

- **Revenue sharing agreements have also been signed with Fort Nelson, Saulteau, Halfway River and Doig River First Nations.**
- **This financial package includes economic benefit payments over two years and commits the parties to co-develop a new fiscal framework.**
- **The formula is based on sharing 10% of oil and gas royalties with all Treaty 8 Nations.**
- **These agreements support the priorities of Treaty 8 First Nations communities, including West Moberly, Prophet River First Nations and McLeod Lake Indian Band.**

KEY FACTS:

On Jan. 20, 2023, the Province and four Treaty 8 First Nations (Doig River, Fort Nelson, Halfway River and Saulteau) signed the Consensus Document.

Main priorities of the Treaty 8 Consensus Document are:

- A new approach to wildlife co-management that promotes improved shared understanding and management of wildlife
- New land protection measures and land use plans
- A cumulative effects management system linked to natural resource landscape planning and restoration initiatives
- Pilots to advance shared decision-making on planning and stewardship activities
- A multi-year, shared restoration fund to help heal the land and people
- A new revenue sharing approach to support the priorities of Treaty 8 First Nations communities
- Actions to promote respect for Treaty 8 through collaborative promotion, anti-racism training and awareness building, education and community services

Through the Consensus Document, the parties have committed to co-develop and implement a plan to promote respect for Treaty 8. Over the next two years, there will be engagement in a variety of initiatives such as educational sessions in K-12 schools, First Nations cultural training and public engagement on racism and hate speech.

ADVICE TO MINISTER

The First Nations have also signed revenue sharing agreements, which are based on sharing 10% of natural gas royalties and providing an additional amount of up to $50 million should PNG royalties, tenures and rent revenues exceed $1 billion. Seven of the eight Treaty 8 Nations have elected to participate in this revenue sharing approach, which runs to March 31, 2024. Treaty 8 Nations and B.C. have also committed to co-develop a new fiscal relationship. Blueberry River First Nations has elected for guaranteed, fixed payments in 2022/23 but may opt into the Treaty 8 revenue sharing approach in 2023/24 and 2024/25.

These agreements all align with the UN Declaration on the Rights of Indigenous Peoples by addressing Indigenous self-determination, cultural revitalization, and decision making over traditional territories and resources, a greater sharing of the benefits of resource activity; as well as by their support for healing the land through restoration and honouring the treaty.

Media interest: Negotiations between the Province and Treaty 8 (along with Blueberry River First Nations) has been of high interest for provincial and national media for a number of years.

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QUESTIONS & ANSWERS
Treaty 8 Nations Consensus Document
January 20, 2023

KEY MESSAGES

- **Our government with Treaty 8 Nations has co-developed a set of initiatives for how to evolve the management of lands and resources together.**
- **We call this our "Consensus Document," and it lays out a comprehensive path for our governments to walk together, and work together, on a variety of topics of shared interest. These include:**
  - **A new approach to wildlife co-management that promotes improved shared understanding and management of wildlife**
  - **New land protection measures and land use plans**
  - **A cumulative effects management system linked to natural resource landscape planning and restoration initiatives**
  - **Pilots to advance shared decision-making on planning and stewardship activities**
  - **A multi-year, shared restoration fund to help heal the land and people**
  - **A new revenue sharing approach to support the priorities of Treaty 8 First Nations communities, and last but definitely not least,**
  - **Actions to promote respect for Treaty 8 through collaborative promotion, anti-racism training and awareness building, increase of education and community services**
- **This work is about advancing our treaty relationship together, which includes the need both to protect and uphold Treaty 8 rights, and to ensure British Columbians, especially those living and working in Treaty 8 territory, have a better understanding of Treaty 8.**
- **To accomplish this, we have agreed to co-develop and implement a plan to promote respect for Treaty 8.**
- **Over the next two years we will engage in a variety of initiatives such as educational sessions in K-12 schools, First Nation cultural training and public engagement on racism and hate speech.**

- **Honouring the treaty will be an ongoing focus. After all, as British Columbians we are all treaty people.**
- **The Province will continue engaging residents in the region to ensure a clear and consistent flow of information.**

General KMs—Treaty 8 Agreements:

- **These agreements benefit both First Nations and the general population in northeast B.C. because they will improve process predictability in natural resource decisions, and that's something everyone wants.**
- **These agreements align with the UN Declaration on the Rights of Indigenous Peoples by addressing Indigenous self-determination, cultural revitalization, and decision making over traditional territories and resources; as well as by their support for healing the land through restoration and honouring the treaty.**
- **These agreements support important provincial government objectives, including responding to the BC Supreme Court's decision re: cumulative impacts on Treaty 8 rights for a neighbouring First Nation; achieving lasting and meaningful reconciliation; ensuring a strong, stable economy; and planning for and adapting to climate change.**
- **The set of initiatives we've arrived at together over these past months provide unparalleled opportunity for sharing in decisions together and for healing to begin.**
- **Together with Treaty 8 First Nations, we will make decisions on the land that ensure all Nation members can meaningfully exercise their rights, while building a healthy, stable and secure future for everyone.**
- **Our significant investment in restoration over the next decade demonstrates to all who live and work in the Northeast how a new way of working together to steward land and resources can not only be possible, but also prosperous.**
- **This is important work for all of us; it's about leaving the land in a good way for future generations and advancing meaningful reconciliation with First Nations.**

- **With agreements signed, we now have much work to do together to advance these initiatives that will lead to governing natural resource sector activities differently.**

Honouring Treaty 8:

- **Honouring Treaty 8 is a critical part of B.C.'s work to advance reconciliation. Treaty 8 is the foundation of the relationship between Treaty 8 members and the Crown as well as all citizens. The rights of Treaty 8 First Nations include self-governance, the power to govern their internal affairs and make decisions that affect their community. The rights are recognized in the constitution of Canada.**
- **In 2021, the B.C. Supreme Court Yahey decision confirmed Treaty 8 protects Blueberry River's way of life from interference. This includes their right to healthy, mature forests, wildlife habitats, clean waters, and the ability to access these places. The court ruled B.C. had breached those rights by allowing too much industrial development over time without Blueberry River's consent.**
- **The Court made clear the Province must prevent further infringement and ensure Blueberry River First Nations can meaningfully exercise their Treaty 8 rights.**
- **Treaty 8 rights are shared amongst Treaty 8 Nations; we all have a duty to respect these treaty rights and be part of the journey of reconciliation.**
- **The Province has the duty to uphold solemn promises made to Treaty 8 peoples, and ensure all Treaty 8 beneficiaries have the ability to meaningfully practice their treaty rights.**
- **Since the court ruling, we have been working together on a way forward that improves land management in Treaty 8 territory, one which recognizes and respects Treaty 8 rights, and balances economic and environmental interests, including local jobs. This is important work for everyone living in the northeast.**

Wildlife Management

- **Access to wildlife is an important Treaty right for Treaty 8 Nations, central to their cultural practice, as a food source, and a way of life.**
- **These agreements advance a commitment to move towards the co-management of wildlife between our governments.**
- **We have agreed to work together to build a better understanding of moose populations in Treaty 8 territory to start and continue work already started together last year to examine and consider changes to hunting regulations in order to reduce hunting pressure on moose and caribou.**
- **Hunting regulations and measures for moose and caribou will be implemented for at least two years.**
- **During this time, the Parties will work together to develop an approach to wildlife co-management that improves our shared understanding and management of the wildlife resource, including but not limited to:**
    - **Measures to further advance the co-management of ungulates (particularly moose and elk) and other wildlife**
    - **Each Nation will have the ability to bring forward wildlife issues of concern to be addressed at the table, including hunt reductions and closures in significant areas.**
- **The Province is also creating a regional wildlife working group to facilitate dialogue between Treaty 8 communities, provincial government programs, industry, stakeholders, local governments and the public.**
- **These discussions will complement the government-to-government relationships the Province is committed to pursuing with Treaty 8 Nations.**
- **The Province is supporting the development of cultural and wildfire burn plans with interested Treaty 8 Nations for implementation in 2022-24.**

Education Components

- **The Ministry of Education and Child Care remains committed to working with Indigenous partners and rightsholders to support systemic change within the public education system.**
- **Although the ministry has not been directly involved in the development of the Treaty 8 Consensus Document, the ministry supports the intention of the Treaty 8 Nations "to develop an action plan to increase the availability and influence of Indigenous information and material in the regional K-12 system".**
- **The ministry is also committed to implementing the 13 actions specific to education and child-care outlined in the Declaration Act Action Plan to support Indigenous students in the years to come.**

1. **What is the Consensus Document?**
   - The Treaty 8 Consensus Document is a co-developed document that lays out a comprehensive path for our governments—B.C. and Treaty 8 Nations—to walk together, and work together, on a variety of topics of shared interest.
   - Main priorities of the Treaty 8 Consensus Document are:
     - A new approach to wildlife co-management that promotes improved shared understanding and management of wildlife
     - New land protection measures and land use plans
     - A cumulative effects management system linked to natural resource landscape planning and restoration initiatives
     - Pilots to advance shared decision-making on planning and stewardship activities
     - A multi-year, shared restoration fund to help heal the land and people
     - A new revenue sharing approach to support the priorities of Treaty 8 First Nations communities
     - Actions to promote respect for Treaty 8 through collaborative promotion, anti-racism training and awareness building, education and community services
   - The terms of the Consensus Document are non-exhaustive and may be expanded or augmented to address the impacts of cumulative effects on Treaty rights, which may require the development of further mandating documents.

2. **What Nations are included in the Consensus Document?**
   - Treaty 8 Nations and the Province have co-developed the Consensus Document:
   - Nations involved in co-development include
     - Saulteau First Nations
     - Fort Nelson First Nation
     - Doig River First Nation
     - Halfway River First Nation
     - Prophet River First Nation
     - West Moberly First Nations

3. **What is the difference between the Consensus Document and the Letter of Agreements signed with Treaty 8 Nations?**
   - Six Treaty 8 First Nations have co-developed a Consensus Document that details a path forward to address cumulative effects in their territory.
   - The Letters of Agreement simply confirm the Parties' commitments, obligations and solutions set out in the Consensus Document, and in some cases provide further nation-specific clarity and commitments for action.
   - With Blueberry River, more specificity is provided on some agreement topics or initial actions, however, all agreements are based on detailed planning work and restoration action we have to undertake together.

4. How did the Consensus Document start? How does it relate to the Yahey Decision?

- On June 29, 2021, the BC Supreme Court, through the Yahey v. BC decision, confirmed Treaty 8 protects Blueberry River's way of life from interference, including their ability to hunt, fish and trap.
- Since the court ruling, the Province and Treaty 8 Nations have been working together on a way forward that improves how land and resources will be managed together.
- Six Treaty 8 Nations approached the Province in fall 2021, recommending we work together to reconcile the cumulative effects concerns they each hold for their communities (rather than proceed with more court action).
- The Province responded with establishing a Task Force to work with these six other Treaty 8 First Nations (together, the "Participating Treaty 8 First Nations") on new and creative solutions to address the issues highlighted by the Court and identify regional solutions.
- The Parties' representatives co-developed a mandating document, the Consensus Document, dated March 22, 2022, which sets out the Parties' shared commitments and solutions.
- In July 2022, the Provincial Task Force advised the participating Treaty 8 Nations that the Consensus Document had been approved by the provincial government for implementation.
- The initiatives set out in the Consensus Document are intended to protect Treaty 8 rights and the environment and ecosystems which sustain them and support responsible resource development and economic activity in the northeast. This is important work for everyone living in the northeast.

5. Why didn't the Province negotiate with all Treaty 8 Nations at the same table, at the same time?

- Ultimately, the Province has made good progress working with six First Nations at the table, and we'd pleased and honoured to do this progressive work together to improve the protection of treaty rights and promote responsible resource development.

6. What funding/fiscal components are attached to the Consensus Document?

- The Consensus Document provides an economic packages that provides for revenue sharing from oil and gas activities, to a greater extent that what has been shared in the past, as well as implementation and capacity supports, so that as multiple governments, we can advance this work collectively.
- The signatory Nations and the Province have agreed to pursue talks going forward on a new fiscal framework, as has the Province with Indigenous governments across BC.
- This new funding doesn't affect existing agreed to funding streams or matter outside of the Consensus Document.

- Restoration Fund
  - The Province will provide over $600M towards two restoration funds in Treaty 8 territory, working with all eight Treaty 8 Nations.
  - The provincial commitment is to contribute this amount over a ten-year period.
  - In these four agreements announced today, there will be a Treaty 8 Restoration Fund created that has shared oversight by the Nations and the Province.
  - The Fund is intended to heal the land and the people and address the cumulative effects of development in Treaty 8 territory.
  - Blueberry River First Nations and the Province have agreed to create a separate fund for Blueberry-led restoration.
  - The Treaty 8 Restoration Fund will be accessible to seven of the eight Treaty 8 First Nations (not Blueberry River) to implement restoration activities following decades of legacy industrial disturbance.
  - Funding is over and above existing and future obligations of B.C. and industry.
- Additional funding

7. Why is this agreement needed? Without an agreement, what is at stake?

- Without an agreement, there are many things at stake for the northeast region:
  - Stable development predictability
  - Billions in provincial revenues
  - Billions in GDP
  - Thousands of jobs
  - Billions in exports
  - Stalled provincial permitting
  - Investors and companies pulling out of British Columbia
- As the Premier said in reference to the 2021 BC Supreme Court decision recently, this government has chosen to work with Nations at the negotiation table, and that is aligned with where our laws are going.

8. What are the benefits of B.C. and all Treaty 8 Nations agreeing to/signing on the Consensus Document?

- There are many benefits that come with all Treaty 8 Nations and B.C. agreeing on the Consensus Document:
  - Mutually acceptable path forward to better protect treaty rights.
  - A way and means of bringing multiple governments to the table, to do the challenging work of working together, in a territory we all share .
  - Opportunity to better understand our history, and ensure our future can be better because of it.

- Government and Treaty 8 Nations agreeing to solutions for stable development.
- Reconciliation, Environment, Economy – existing in one space.
- Model to apply to the natural resource sector across the province.
- Show that B.C. is a safe, reliable, responsible place to invest.

9. What impact will this agreement (and others with Blueberry River First Nations) have on the oil and gas industry in B.C.?

- These agreements bring Treaty 8 Nations to the planning table, at the outset of contemplating any development plans, or submitting them to government.
- It means that Indigenous interests will be better known and considered from the start in new natural resource activities.
- These agreements mean changes to how, when and where new surface disturbances related to oil and gas extraction and processing may occur. There will be an adjustment period as companies adapt to these changes and as planning initiatives are undertaken.

10. Why isn't West Moberly, Prophet River or McLeod Lake signing?

- We have worked with West Moberly and Prophet River First Nations in the joint development of the Consensus Document. These Nations needed more time to complete internal approvals, and the Province and four Treaty 8 First Nations that have signed all appreciate and respect the need for internal approvals.
- McLeod Lake was not a party to the development of the Consensus Document. BC and McLeod Lake continue our work together.
- We expect to complete and announce these agreements in the coming weeks.

11. Who will be impacted by these agreements? How will nearby towns be impacted?

- Towns within Treaty 8 territory that may be impacted by these agreements include:
  - Fort Nelson
  - Fort St. John
  - Dawson Creek
  - Taylor
  - Chetwynd
  - Tumbler Ridge
  - Hudson's Hope
  - Pouce Coupe

12. So far, how is this landing with both Indigenous and non-Indigenous Peoples in the Northeast?

- This news is very fresh, so it's too early to tell.

- On so many levels, this work we're carrying out in partnership with all Treaty 8 Nations is vital for stability and predictability for everyone in the region.
- Not only are we responding to the BC Supreme Court's declarations related to Blueberry River First Nation's successful court case, we're also honouring the treaty that was signed well over 100 years ago.
- For decades B.C. governments have made natural resource decisions in a manner that led to the infringement of treaty rights, which are constitutionally protected.
- Now we're taking steps to right past wrongs and uphold the legally protected treaty rights of Treaty 8 First Nations.
- This is important work for all of us; it's about leaving the land in a good way for future generations.
- It's about re-designing and re-establishing a balance between the protection of Treaty rights and responsible resource development.
- Current land use direction in the northeast, up until the BC Supreme Court decision, did not adequately consider Treaty 8 rights.
- This is the message we need to share with people as we leave here today.

13. Why has the Province been mainly working with Blueberry River First Nations (Yahey Decision), isn't cumulative effects an issue for all Treaty 8 Nations?

- The judge directed the Province to negotiate a process with Blueberry River, based on the fact specific court case they argued.
- However, the Province acknowledges the implications of the court ruling, traditional territories and cumulative effects on other Treaty 8 Nations.
- The Province is working with other Treaty 8 Nations at both a collective and individual basis to ensure, together, that land and resource management in the territory recognizes and respects Treaty 8 rights.
- This collective table has advanced shared commitments and solutions, which are detailed in the Consensus Document.
- Healing the land is also a shared priority, and something we are continuing to work on both with Blueberry River and other Treaty 8 Nations.

14. Are agreements available publicly? If no, why not?

- The agreements will be posted in the coming weeks.
- There needs to be time to do a full review of the agreements as some sections may need to be kept between the signatories only.

15. How do you intend to keep people informed going forward?

- The agreements will be posted in the coming weeks.

- We will continue to work with local and regional governments, stakeholders and industry on the matters that will affect them.

16. How do you respond to criticisms this was done in secret? How have people been kept informed?

- We have strong history in the northeast of information sharing at the regional Northeast Round Table, where we have been bringing updates regarding a variety of provincial initiatives, including these negotiations.
- In addition, provincial team members meet regularly with local mayors and directors, and industry leaders to provide updates on engagement and negotiations.
- We will continue to do this.

17. What are the next steps now that the Consensus Document has been signed?

- The Parties will continue to work together to implement the Consensus Document, including through shared planning and priority setting.
- The Parties agree that we will need to work at many levels – directly with individual Treaty 8 Nations, with Nations where there are overlapping interests, and on topics that are shared across the northeast region, such as on wildlife.
- It's up to all the signatories now to work together to implement what we have agreed to, and make the shift in land and natural resource management underpinning these agreements.

18. Are you concerned about racist activities?

- Racism has absolutely no place in British Columbia, and any such activity will immediately be addressed.
- Government staff is here to work with people, to answer their questions, but will not tolerate hateful or racist behaviour.
- These agreements are the result of six First Nations and the Province sitting down together and tackling some complex, challenging topics, about how to reconcile with the cumulative impacts that are affecting these First Nations ability to practice their way of life.
- It has been provincial decisions, many de over time, that led to the Province not upholding its Treaty 8 commitment, and that was wrong.
- We need to do better, and we will do better.
- It's important that we all stand together to actively denounce any acts of racism and nurture communities where everyone feels safe.
- As a society, we have a decision to make about which side of history we want to be on. We all benefit from Treaty 8, and we are all Treaty people.

19. What will you do to address any racism that occurs?

- We have a crisis communications approach in place for responding to reported racist incidents.
- It includes ensuring that anyone reporting a racist incident is supported and feels safe to come forward.
- Our commitments to Honouring the Treaty are intended to grow understanding about the Treaty, Treaty 8 nations and their unique cultures, and our shared history. We hope that a deepened understanding will build bridges and harmony, which is as the Treaty signatories had intended.

20. What are treaties?

- Treaties are constitutionally protected, government-to-government agreements that identify, define and implement a range of rights and obligations, creating long-term, mutually binding commitments.
- Treaties are a critically important pathway to meaningful reconciliation with Indigenous Peoples. They help to support strong, healthy, thriving communities that benefit people today and for generations to come.
- Treaties signed with First Nations in Canada between 1701 and 1923 are commonly referred to as historic treaties.
    - In B.C., there are Douglas treaties, signed with First Nations on Vancouver Island, and Treaty 8 covering a portion of northeastern B.C.
- Treaties signed today are called modern treaties, and cover where there are no historic treaties. Modern treaties also deal with matters not addressed in historic treaties.
    - The modern treaties refer to the four treaties (with eight Nations) that came into effect in the 21st century. Prior to the Nisga'a Treaty, which came into effect in May 2000, the last treaty was concluded in 1899 and BC-based Treaty 8 nations continued to adhere to the treaty until 1914; McLeod Lake Indian Band adhered to Treaty 8 in 2000.
- The modern treaties are as follows:
    - Nisga'a Final Agreement – Effective May 11, 2000
    - Tsawwassen First Nation Final Agreement – Effective April 3, 2009
    - Maa-nulth First Nations Final Agreement – Effective April 1, 2011
        - Includes five independent Indigenous governments: Huu-ay-aht First Nations, Toquaht Nation, Uchucklesaht Tribe Government, Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations and Yuułuʔiłʔath Government (Ucluelet First Nation), all from the West Coast of Vancouver Island
    - Tla'amin Final Agreement – Effective April 5, 2016

- Modern treaties provide a framework for three parties – Canada, B.C., and First Nations – to work towards common goals and build relationships through constitutionally entrenched government-to-government-to-government understandings.
- Some major components integral to modern treaties include Indigenous rights, self-government, land and resources, fishing and forestry.

21. What is Treaty 8?

- Treaty 8, which concluded with the June 21, 1899 signing by representatives of the Crown and various First Nations of the Lesser Slave Lake area, is one of the most comprehensive of the Numbered Treaties.
- Treaty 8, which guarantees rights to several First Nations to maintain their Indigenous way of life, was signed by the Government of Canada and First Nations of Northern Alberta, Northwestern Saskatchewan, the Southwest portion of the Northwest Territories, and the Queen of England.
    - The treaty covers 840,000 km^2 across three provinces and the Northwest Territories.
- It was later followed by Adhesions in the northeastern portion of British Columbia.
- The Treaty 8 Nations in B.C. are: Doig River, Fort Nelson, Halfway River, McLeod Lake, Prophet River, Saulteau, West Moberly First Nations and Blueberry River.
- Treaty 8 has an ongoing term, and in its sacred promises, was and is meant to last so long as the sun shines, the grass grows and the rivers flow.

22. How long are these agreements for?

- These agreements are intended to be two years in length, to get measures and actions going, and with the expectation that longer term agreements will be developed and signed thereafter which build on the foundation we are creating today, with these agreements and the Consensus Document.

MINISTRY OF INDIGENOUS RELATIONS AND RECONCILIATION
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New Fiscal Framework – Principles and Objectives ('Track 1')

KEY MESSAGES

- **Indigenous governments – like all governments – require sources of revenue to deliver services and meet responsibilities to their citizens.**
- **As part of implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), Government is committed to co-developing a new distinctions-based fiscal framework that supports the operation of Indigenous governments.**
- **In 2019, we took a first step by committing to annual gaming revenue sharing, which provides about $100 million per year to First Nations. In April 2022, we provided an interim enhancement to forestry revenue sharing while a new model is built from the ground up with First Nations.**
- **Today, we are in the midst of an intensive co-development process with First Nations, focussed on the vision, principles, and objectives of the new fiscal framework. We are also co-developing options for a new forestry revenue sharing model with First Nations.**
- **We are drafting a 'What We Heard' report, which we hope to share with First Nations early April. This will be followed by another round of engagement in the late spring, based on a further discussion paper that will outline our co-developed principles and options for a new forestry revenue sharing model.**
- **Through our engagement, we have heard a clear message of change: the new fiscal framework must support a fundamental shift in the way we work together as governments, and support an integrated, rights-based approach to decision-making, stewardship, and benefits sharing.**
- **This is important, world-leading work. We want to move away from the short-term transactional approach of the past towards a new fiscal framework that recognizes, respects, and supports Indigenous peoples' right to self-determination and self-government.**

BACKGROUND

A fiscal framework is a system for defining the financial relationship between governments. It addresses the revenue and expenditure functions and jurisdiction of each government and how intergovernmental transfers are structured.

MINISTRY OF INDIGENOUS RELATIONS AND RECONCILIATION
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The current fiscal framework between the Province, Canada and Indigenous Peoples is based on a western social and economic worldview, focused primarily at the "Band" or community level, and often ad-hoc and transactional (e.g., funding is provided to facilitate resource development, meet legal obligations, resolve issues, etc.). Outside of the modern treaty process, there is little coordination between the provincial and federal governments.

The work of developing a New Fiscal Framework (NFF) has been considered urgent by government and First Nations:

- First Nations face economic and fiscal pressures and require new and enhanced sources of revenue.
- New revenue sharing approaches are needed to help alleviate Advice/Recommentations; Business Information Advice/Recommentations; Business Information
- The Province's current transactional approach to First Nations capacity funding is a high-cost and less sustainable model.
- Co-development of a new fiscal framework represents an opportunity to work in a principled way to produce an outcome that is enduring, comprehensive, and rights based.

New Fiscal Framework Discussion Paper

In the fall of 2022, the Province shared a discussion paper with all First Nations. The discussion paper sets out the Province's initial thinking on the vision and purpose of co-developing a NFF, details on the engagement process, and discussion questions. The NFF Discussion Paper identifies two simultaneous tracks of work in partnership with First Nations.

- Track 1 is the co-development of a new model of fiscal relations, including the vision, objectives, and principles, and how those will be applied comprehensively.
- Track 2 is the co-development of near-term changes to specific revenue-sharing streams. The initial focus of track 2 will be on forestry revenue sharing.

IRR and FIN are now compiling information gathered during the engagement phase into a 'what we heard' report to share with First Nations. There will be more opportunities for First Nations to be involved in this process with bilateral discussions, a virtual session on the 'what we heard' report, regional forestry engagement sessions, followed by another round of engagement in the spring with the release of an options paper. Advice/Recommentations; Cabinet Confidences
Advice/Recommentations; Cabinet Confidences

In parallel to engagement with First Nations, IRR and FIN have also initiated preliminary discussions with Business Information
Business Information

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MINISTRY OF INDIGENOUS RELATIONS AND RECONCILIATION
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New Fiscal Framework – Forestry Revenue Sharing ('Track 2')

KEY MESSAGES

- In April 2022, the Province committed to co-developing a new forestry revenue sharing model with First Nations as the next step towards a new, distinctions-based fiscal framework.
- As an interim measure, the Province increased revenue sharing rates under the existing forestry revenue sharing program. This more than doubled the amount of forestry revenue available for First Nations in 2022/23, and these interim rates will remain in effect for 2023/24.
- A new forestry revenue sharing model will be a central component of a new fiscal framework that recognizes Indigenous governance and jurisdiction.
- Since November 2022, we have been undertaking a co-development process with First Nations to identify principles and objectives for the new fiscal framework, as well as options for a new forestry revenue sharing model.
- From this engagement, we are building a 'What We Heard' report to share with First Nations.
- There will be a further round of engagement – including with public and industry – in the spring based on the release of a discussion paper outlining options for a new forestry revenue sharing model.
- This is important, world-leading work. We are moving away from the short-term transactional approach of the past towards a new fiscal framework that recognizes, respects, and supports Indigenous peoples' right to self-determination.

If asked why the current focus is on forestry:

- Our current work on forestry revenue sharing reflects the significance of the provincial forest economy, the large number of First Nations impacted, and a shared interest in advancing comprehensive agreements on forestry and forest stewardship.
- Forestry revenue sharing is only one component of a new fiscal framework with Indigenous peoples. We have already taken the initial step of jointly developing with First Nations a model for long-term gaming revenue sharing, providing approximately $100 million annually to all First Nations.

- **As per our commitments in the Declaration Act Action Plan, our long-term goal is to co-develop a wholistic framework that comprehensively supports the operation of Indigenous governments and provides new revenue sharing arrangements and other fiscal mechanisms.**

BACKGROUND

- First Nations have consistently requested a larger share of revenue from forestry and other natural-resources activity in their territories than what is being offered.
- In April 2022, MIRR and the Ministry of Forests announced an interim enhancement to the program while broader engagement on forestry revenue sharing policy takes place in the context of the New Fiscal Framework (NFF). This broader NFF policy work will be undertaken in partnership with Indigenous peoples under commitments in the Action Plan.
- The existing Forest Consultation and Revenue Sharing Agreement (FCRSA) program has remained in place to ensure there is existing benefit from forestry to First Nations while that work is underway.
- As an interim measure, the Province provided an FCRSA enhancement that came into effect in 2022/23 and will be in place until a new forestry revenue sharing new model is complete.
- Under the interim enhancement, the FCRSA rates increased by 5 percentage points, from 3, 4 or 5 per cent to 8, 9 or 10 per cent. The rate for BC Timber Sales revenues increased by an additional 3 percentage points to 11, 12 or 13 per cent.
- The interim formula, with an enhancement of $62.67M in 2022/23, increased total revenue sharing up to $130.75M last fiscal. The enhanced rates will continue in 2023/24 and are reflected in the Ministry's allocation under Vote 35.
- As of March 1, 2023, there are 96 active FCRSAs with 107 First Nations.
- Engagement on a new forestry revenue sharing model is expected to take at least two years. In November 2022, the Province shared a discussion paper with all First Nations, which provided preliminary ideas on the vision and purpose of a new fiscal framework, with an initial focus on forestry revenue sharing.
- IRR and the Ministry of Finance, in partnership with the Ministry of Forests, have been undertaking an engagement process with First Nations to identify principles for the new fiscal framework, as well as options for a new forestry revenue sharing model.
- Based on this engagement, ministries are now compiling feedback in a 'What We Heard' report, which will be sent to First Nations in March. In the late spring, a further paper containing options for a new forestry revenue sharing model will be broadly shared for comment by Indigenous Peoples, the public, and industry.
- Advice/Recommentations; Cabinet Confidences

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ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE **Ministry of Indigenous Relations and Reconciliation** **Date:** Feb. 10, 2023 **Minister Responsible:** Murray Rankin	**New Fiscal Framework engagement**

ADVICE AND RECOMMENDED RESPONSE:

- **Government committed to co-developing a new fiscal framework with Indigenous governments through the 2018 Concrete Actions Document.**
- **This commitment was reiterated in the Declaration Act Action Plan, released in March 2022.**
- **We are now working through a co-development process, which includes discussions on the principles, objectives and characteristics of a new fiscal framework – with an initial focus on forestry revenue sharing.**
- **The engagement and policy work takes time, effort and partnership with Indigenous Peoples.**
- **We are committed to this process and look forward to the many meaningful discussions ahead.**

If asked about discussion paper engagement:

- **In November 2022, we released a discussion paper to First Nations in B.C. to inform engagement with Nations on both a new fiscal framework and forestry revenue sharing.**
- **The paper outlined the Province's initial thoughts on what this could look like – and poses a number of questions for comment by First Nations.**
- **We had a number of successful conversations at the provincial Forestry Forum and the First Nations Leaders' Gathering in November…**
- **And delved deep into the discussion paper directly with First Nations in government-to-government meetings.**
- **In fact, since November we met with more than 70 First Nations on the New Fiscal Framework and discussion paper.**

- **Most recently, the ministry held a virtual information session on the discussion paper – attended by 43 representatives of First Nations and Indigenous organizations.**
- **From all this engagement, we are currently building a 'what we heard' report to share with First Nations.**
- **There will be more opportunities for First Nations to be involved in this process with bilateral discussions, regional forestry engagement sessions, followed by another round of engagement in the spring with the release of an options paper.**
- **We know these conversations are important to building relationships between the Crown and First Nations that recognize and implement Aboriginal rights and title.**

If asked about timelines / tracks of work:

- **The work of developing a new fiscal framework has been considered urgent by the Province and First Nations.**
- **To address this urgency, while also ensuring the work is done properly and comprehensively, we developed two simultaneous and interrelated tracks of work in partnership with First Nations.**
- **Track 1 is the co-development of a new model of fiscal relations.**
- **Track 2 is the co-development of near-term changes to revenue-sharing streams that can be implemented while track 1 is still being fully developed – including forestry revenue sharing.**

KEY FACTS:

Developing a new fiscal framework was first committed to as part of the 2018 Concrete Actions agreed to with the First Nations Leadership Council (FNLC). As a first step, in 2019, the Province began sharing seven percent of gaming revenues, providing First Nations with an estimated $100 million annually.

Background

- On April 27, 2022, the Province announced an increase to revenues shared under the existing Forest Consultation and Revenue Sharing Agreement (FCRSA) program and new agreement language with a focus on a government-to-government relationship. The increase is an interim step intended to respond to longstanding feedback and to provide additional revenue to First Nations while a new model for forestry is being co-developed.
- On Nov. 4, 2022, the Province released a provincial discussion paper addressed to First Nations to help guide discussion over the next year on developing a new fiscal framework and a forestry revenue sharing model.

- Intergovernmental Communications

Engagement participation

- First Nations were invited to provide specific feedback on the discussion paper and the questions contained within from Nov. 4, 2022 to Jan. 31, 2023.
- During this engagement, six submissions were received through the EngageBC online form or via email. However, during this time more than 30 government-to-government meetings, with participation by more than 70 First nations, took place between First Nations and Ministry of Indigenous Relations and Reconciliation (MIRR) staff.
- To build on the momentum created at the First Nations Leaders' Gathering, staff encouraged comment on the discussion paper via reminder emails to Nations and follow-up meetings.
- The ministry's NFF team presented on the NFF, including the discussion paper and co-development process, at the BC First Nations Forestry Council's Provincial Forestry Forum and First Nations Leaders' Gathering in Nov. 2022.
- In March 2023, the First Nations Forestry Council will host regional workshops where further opportunities for engagement on NFF and forestry revenue sharing will be aligned with other forest policy engagement.
- The ministry held the first virtual information session on the discussion paper on Jan. 24, 2023. 43 representatives from First Nations and First Nations organizations participated in the discussion.

Media Interest: There has been somewhat significant media interest in revenue sharing with First Nations, especially when a new agreement is unveiled (gaming grants in 2019 and Forest Consultation and Revenue Sharing Agreements in 2022). Media interest may spike when the public engagement begins in the spring. In addition, questions about B.C.'s management of Crown land and recognition of the economic component of Aboriginal title continue to come as part of CBC's Land Back podcast.

Communications Contact: Leanne Ritchie Program Area Contact: Richard Purnell

Distinctions-Based Approach

KEY MESSAGES

- **The Province is committed to a distinctions-based approach.**
- **This requires that the Province's dealings with First Nations, Métis, and Inuit peoples be conducted in a manner that respects and acknowledges the distinct rights that derive from, and are tied to, their unique histories, cultural practices and traditions, laws, and relationships to land.**
- **Government has set direction for all ministries and agencies about the importance of taking a distinctions-based approach in dealings with First Nations, Modern Treaty Nations, Métis, and Inuit peoples through the Draft Principles that Guide the Province of British Columbia's Relationship with Indigenous peoples.**
- **We have re-affirmed this commitment to ensure that the distinctions-based rights of Indigenous peoples are respected, upheld and exercised through implementation of *The Declaration on the Rights of Indigenous Peoples Act* (Declaration Act) Action Plan.**
- **In addition, the Declaration Act Secretariat's recently released *Interim Approach to Implementing the Requirements of Section 3 of the Declaration on the Rights of Indigenous Peoples Act* has provided direction to ministries and agencies highlighting that distinctions-based approaches are always required as part of meaningful consultation and cooperation.**

BACKGROUND

- First Nations, Métis, and Inuit are the Indigenous peoples of Canada, with Aboriginal rights recognized and affirmed in section 35(1) of the *Constitution Act, 1982* and Indigenous human rights affirmed in the United Nations Declaration on the Rights of Indigenous Peoples. Each of these Indigenous peoples has distinct rights.
- There is a significant body of jurisprudence confirming the existence of Aboriginal and treaty rights of First Nations in British Columbia. This includes a wide range of site-specific First Nations rights related to land and resources, including Aboriginal title and governance rights.
- The case law on rights that are not site-specific is underdeveloped relative to the case law on rights related to lang and resources. There are likely non-site-specific Section 35 rights that can be exercised in BC by Indigenous peoples whose territory is outside of BC. This detail is critical to the correct application of a distinctions-based approach and to meeting legal obligations under s.35 of the *Constitution Act, 1982*.
- The following definition of a DBA was provided in the Declaration Act Action Plan:

The Province is committed to a distinctions-based approach. This requires that the Province's dealings with First Nations, Metis and Inuit Peoples be conducted in a manner that acknowledges the specific rights, interests, priorities and concerns of each, while respecting and acknowledging these distinct Peoples with unique cultures, histories, rights, laws and governments. Section 35 of the Constitution Act, 1982, recognizes and affirms the rights of Aboriginal Peoples of Canada, while all Indigenous Peoples have human rights that are expressed in the UN Declaration. However, not all rights are uniform or the same among or between all Indigenous Peoples. In many cases, a distinctions-based approach may require that the Province's relationship and engagement with First Nations, Metis and Inuit Peoples include different approaches or actions and result in different outcomes.

- The Ministry of Indigenous Relations and Reconciliation, with support of other ministries, provides advice on applying a distinctions-based approach. A high-level guidance document on applying a distinction-based approach for public service employees is currently in development.
- Within a distinctions-based approach, there is additional considerations for Modern Treaty Nations (MTNs) who have confirmed rights that are protected by comprehensive treaty legislation and Section 35 of the Constitution Act, 1982. BC has distinct obligations and relationships to MTNs as established rightsholders with lawmaking authority.
- Signed March 2022, the Shared Priorities Framework between the Province of British Columbia and the Alliance of BC Modern Treaty Nations includes activities to ensure the Province's relationships with MTNs are distinct and reflect their established rights.
- The Province and MNBC signed a Letter of Intent that commits the Parties to formalize dialogue and integrate engagement on Métis priorities across all of government through a new Metis Relations Working Table.

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MINISTRY OF INDIGENOUS RELATIONS AND RECONCILIATION
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PERMITTING CHALLENGES

KEY MESSAGES

- **Permitting and authorizing activities and statutory decision making on the land base are primary functions of effective land and resource management in the natural resource and transportation sector.**
- **Predictable, effective, and transparent permitting are key to achieving government's goals of reconciliation with Indigenous peoples, economic activity, and environmental sustainability.**
- **Significant strategic shifts in how we manage and authorize activities on the land base must occur to transform the permitting regime, and the transactional relationship with First Nations.**
- **Natural resource ministries are working in a unified way to improve programs and processes, while also bringing recommendations forward to government on transformative solutions.**
- **To support this work Budget 2023 provides funding to MIRR for the following:**
  - **$171, 000 in 2023/24 to hire 2 full-time staff.**
  - **$119, 000 will be received in 2024/25 for an additional full-time staff for a total of 3 FTEs**

BACKGROUND

- The Ministry of Water, Land and Resource Stewardship is leading work across the natural resource ministries responsible for permitting and authorizations.
- Permitting for Housing and Connectivity BC are priority projects that are implementing strategic solutions with the intention of making the successes scalable.
- Budget 2023 included resourcing for MIRR to support cross-agency work on permitting solutions, with a focus on land returns and the development of tools to enable early access to committed lands in support of economic sustainability.

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2023/24 ESTIMATES NOTE

Advice to the Minister of Jobs, Economic Development and Innovation

MAJOR INVESTMENTS OFFICE ACTIVITIES

Issue: Supporting private sector proponents advance major projects in B.C.

RESPONSE

- The Major Investments Office (MIO) helps land major private sector investments that support the B.C. economy. This includes providing:
    - Concierge services to streamline government processes for large investments with significant potential economic benefits; and
    - Consulting services to thoroughly assess the merits of projects against provincial priorities and values, prior to consideration of co-funding opportunities.
- MIO is focused on a small number of high-value, high-profile investments.

Concierge Services:

- MIO acts as a dual advocate for the investor and government to help advance major projects.
- By providing personalized business support and a single point of contact to navigate project logistics and regulatory processes, MIO increases the likelihood of landing new investments.
- Examples of MIO concierge services include:
    - Conduit to key indigenous communities, stakeholders and other provincial, federal and municipal agencies;
    - Project specific advice/advocacy such as: site selection assistance; infrastructure assessment and coordination support (for example: power, water, gas, transportation, etc.); regulatory mapping; permitting support/streamlining; facilitation of multi-stakeholder negotiations and agreements; and
    - Assistance with financial support through existing B.C. and federal programs and incentives.

Project Assessments:

- MIO also provides consulting services to help confirm the benefits of high-value projects which could support development of a new generation of foundational industries.
- Using a framework built on the values outlined in StrongerBC, MIO has capacity to:
    - Review private sector business plans;
    - Initiate multi-stage project assessments, including reviewing and evaluating quantitative and qualitative project information for provincial benefits and financial strength, supporting decision-makers in the consideration of co-investment; and
    - Coordinate due diligence with federal government and/or other co-investors.
- MIO has successfully supported a series of high-profile investors in establishing a B.C. presence. The office continues to assist more than three dozen clients in key sectors, spanning clean energy, clean tech and life sciences, in considering British Columbia as a place to grow their business.

2023/24 ESTIMATES NOTE

Advice to the Minister of Jobs, Economic Development and Innovation

KEY FACTS

Background/Status:

- Currently, MIO is supporting 37 projects with a potential investment value of $19 billion and 3,800 permanent jobs. Projects span 11 sectors and represent investors from within Canada (60 percent) and internationally (40 percent).

Contact:

Sean Darling	A/Executive Director	Major Investments Office	778-698-1625

2023/24 ESTIMATES NOTE

Advice to the Minister of Jobs, Economic Development and Innovation

B.C. ECONOMIC AND LABOUR MARKET OVERVIEW

Issue: B.C.'s Economy Remains Strong Amid Economic Uncertainty

RESPONSE

- B.C.'s unemployment rate is 5.1 percent, tied for the fourth lowest in Canada.
- Total net migration to B.C. for the first three quarters of 2022 was the highest on record (since 1961 when records are first available).
- B.C. inflation is 6.2 percent (as of January 2023), down from its forty-year peak of 8.1 percent in May 2022.
- B.C. GDP growth in 2021 was the highest among large provinces, at 6.1 percent.

KEY FACTS

Background/Status: **Note – Figures as of March 21, 2023. Subject to change.**

Employment Growth (February 2023, Year-over-Year)

- Total employment is up 1.3 percent (+35,300); B.C. is ninth among provinces.
  - Women account for most (90.1 percent) of B.C.'s total employment growth.
- Private sector employment is up 0.3 percent (+5,500); B.C. is tenth among provinces.
- Self-employment is up 6.9 percent (+28,700); B.C. is second among provinces.
- Public sector employment is up 0.2 percent (+1,200); B.C. is tenth among provinces.
  - The public sector includes federal, provincial, municipal and Aboriginal administrations and agencies; crown corporations; and public institutions such as schools and hospitals.
- Full-time employment is up 2.0 percent (+43,300); B.C. is sixth among provinces.
- Part-time employment is down 1.4 percent (-7,900); B.C. is seventh among provinces.

Employment Recovery (February 2023 relative to pre-pandemic levels in February 2020)

- B.C. ranks sixth among provinces in employment recovery, at 104.2 percent (+110,700).
- Women's employment recovery is 106.5 percent (+82,400), and men's is 102.0 percent (+28,400).
- Youth employment recovery is 101.8 percent (+6,400); B.C. is fifth among provinces.
- Indigenous peoples' employment recovery is 107.0 percent (+8,300); B.C. is seventh among provinces.

Unemployment Rate (as of February 2023)

- B.C.'s unemployment rate is tied with Ontario for fourth lowest in the country at 5.1 percent, behind Quebec (4.1 percent), Saskatchewan (4.3 percent) and Manitoba (4.7 percent).
- Women's unemployment rate is 4.9 percent, fifth lowest among provinces.
- Youth unemployment rate is 10.1 percent, tied for fourth lowest among provinces.
- Indigenous peoples' unemployment rate is 7.3 percent, fourth lowest among provinces.
- Visible minorities' unemployment rate is 5.7 percent, tied for second with Quebec, after the Prairie Region (Manitoba and Saskatchewan) (5.0 percent).

Expanded Unemployment Rate (as of February 2023)

- B.C.'s expanded unemployment rate is 6.9 percent, tied for third lowest among provinces.
- The expanded unemployment rate is a comprehensive measure that includes discouraged searchers, those waiting to return to work and a portion of involuntary part-time workers.

2023/24 ESTIMATES NOTE

Advice to the Minister of Jobs, Economic Development and Innovation

Wages (as of February 2023)

- B.C.'s average hourly wage is $34.12, second highest among provinces, after Alberta ($34.63).
- Year-over-year, B.C.'s average hourly wage is up 6.6 percent, first among provinces.

Migration and Immigration (as of Q3 2022)

- B.C.'s total net migration for the first three quarters of 2022 was 118,535 - higher than B.C.'s net migration for all of 2021 (94,786).
- Net international immigration to B.C. for the first three quarters of 2022 totalled 116,224, the highest first three quarters on record.
- Net interprovincial migration to B.C. for the first three quarters of 2022 totalled 2,311.
    - There is a net outflow of 6,827 people from B.C. to Alberta - 31,575 people left B.C. for Alberta, and 24,748 people moved from Alberta to B.C.

Inflation (as of January 2023)

- B.C.'s inflation rate of 6.2 percent is the fifth lowest among provinces and above the national average of 5.9 percent.
- B.C. inflation peaked at 8.1 percent in May 2022.
- Key drivers of B.C.'s inflation are: food purchased from stores (11.9 percent), transportation (6.8 percent), personal care (6.7 percent), and shelter (costs of living in a dwelling such as utilities, rent; or homeowner costs such as insurance and repairs) (6.7 percent).

GDP (as of 2021)

- B.C. led economic growth among large provinces in 2021 - GDP increased by 6.1 percent, ahead of Quebec (+6.0 percent), Ontario (+5.2 percent), and Alberta (+4.8 percent).
- The major banks expect B.C.'s GDP to grow by 3.1 percent in 2022, third among large provinces, and by 0.5 percent in 2023, second among large provinces.

Contact:

Angelo Cocco	Executive Director	Economic and Regulatory Analysis Branch	250-516-3674

2023/24 ESTIMATES NOTE

Advice to the Minister of Jobs, Economic Development and Innovation

SMALL BUSINESS PROFILE

Issue: 2022 Small Business Profile

RESPONSE

- B.C. continues to lead the country in small business growth. Small business employment increased between 2016 and 2021.
- In 2021, B.C. ranked first among provinces in the number of small businesses per 1,000 persons.
- The B.C. Small Business Profile (Profile) is published annually, providing decision and policy makers analysis on small businesses and their impact on B.C.'s economy.
- Small businesses continue to play a critical role in B.C.'s growing economy and the information in the report can help policy discussions support small businesses to grow in an inclusive, innovative and sustainable way.

KEY FACTS

Background/Status:

- The 2022 Small Business Profile, published annually, reflects the latest data available for relevant indicators from 2021. Much like the previous year, the 2022 Small Business Profile paid special attention to available data related to impacts of COVID-19.
- The Ministry of Jobs, Economic Development and Innovation, along with BC Stats, released the annual Small Business Profile on November 28, 2022.
- Key indicators examined in the Profile include the number of businesses, employment and earnings, contribution to the economy, industry distribution, regional details and the role of small business exporters – see Tables 1 and 2.
- Although the number of active small businesses in B.C. fell by 2.5 percent in 2021, that number has grown over the last five years. Both the largest decline in 2021 and the largest growth over the last five years occurred among people who are self-employed without paid help.
- B.C.'s small business sector contributed approximately 33 percent of the provincial GDP; first among provinces, and 3 percent above the Canadian average.
- B.C. had the lowest business bankruptcy rate per 1,000 businesses in the country in 2021. Total bankrupticies also declined from 80 in 2020 to 49 in 2021.
- Workers of large organizations are more likely to belong to a union and generally earn higher wages. Since 2016, employees of small businesses saw their average wage increase more than their counter parts working for large businesses (23 percent compared to 22 percent). B.C. has the third smallest wage gap in the country between large and small businesses.
- Small business exporters represent a small portion of all goods producing small businesses in the province. This could be due to high start-up costs required for an exporting business to be able to compete internationally.
- 81 percent of small businesses in the province are in service sector industries.
- In B.C., a small business is defined as a business with fewer than 50 employees or a business that is operated by a person who is self-employed without paid help.

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Advice to the Minister of Jobs, Economic Development and Innovation

Table 1: Key statistics from the 2022 Small Business Profile

BC Small Business Indicator	2021	Change since 2016
Employment	1,134,800	+ 4.4%
Number of small businesses	510,00	+ 5.8%
Average annual wage	$51,500	+ 23%
Export value	$18.1 billion	+0.2%
Number of micro businesses 0-4 employees	430,600	+ 6.2%
Businesses with 5-9 employees	39,000	+ 2.8%
Businesses with 10-19 employees	25,300	+ 4.4%
Businesses with 20-29 employees	9,100	+ 12.2%
Businesses with 30-49 employees	6,700	-1.3%

Table 2: Additional Small Business Statistics

BC Small Business Indicator	2021
Employment as % of private sector employment	54%
Businesses per 1,000 persons	97.9
Percentage of B.C. GDP	33%
Goods producing small businesses that export	6.8%
Business bankruptcies (all businesses) per 1,000 businesses	0.07
Businesses owned by women	38%
Incorporated self-employed business owners	191,900
Unincorporated self-employed business owners	237,200
Self-employed with no employees	311,900

Contact:

Jordan Bennett Director Small Business Branch 778 698-1634

2023/24 ESTIMATES NOTE

Advice to the Minister of Jobs, Economic Development and Innovation

SMALL BUSINESS GRANT PROGRAMS (COVID-19)

Issue: Three grant programs launched to help provide immediate relief to small and medium-sized businesses and help them recover from the economic impacts of the COVID-19 pandemic from October 2020 to February 2022

RESPONSE

- Through these programs, more than $530 million was provided to local businesses to help them navigate the challenges of operating in the pandemic and to continue to safely support the people in their communities.

If asked about the audit work underway (expected completion in spring 2023)

- I look forward to receiving the results of the audit work once completed.
- Learning from the impressive work undertaken to get grants out to businesses facing extreme challenges during the pandemic, will benefit the development of any future grant programs.

KEY FACTS

Background:

- The **Small and Medium Sized Business Recovery Grant** (SMSBRG) program provided grants of $10,000 to $30,000 for B.C. businesses and an additional $5,000 to $15,000 for tourism-related businesses to fund their economic recovery plans.
    - Launched on October 9, 2020, expanded on December 23, 2020 and March 4, 2021, and closed for applications on July 2, 2021.
    - 25,631 SMSBRG applications were submitted, of which 22,618 businesses (88 percent) received funding totalling $437.1 million.
    - More than half of all grants were valued at $15,000 per business, with around 3,400 businesses receiving $10,000, and around 8700 businesses receiving up to $45,000.
    - More than 190,000 employees and contract staff were supported.
    - Funding was provided to 1,266 Professional Service Providers, such as accountants and bookkeepers, to help 19,000 businesses gather documentation and develop recovery plans.
- The **Circuit Breaker Business Relief Grant** (CBBRG) program provided grants of $2,000 to $20,000 to fitness, hospitality and accommodation businesses impacted by the March 31, 2021 Provincial Health Officer (PHO) orders and the April 23, 2021 *Emergency Programs Act*.
    - Launched on April 13, 2021, expanded to include short term accommodation on April 26, 2021 and closed for applications on June 4, 2021.
    - 12,431 CBBRG applications were submitted, of which 9,808 businesses (79 percent) received funding totalling $88.7 million.
    - Almost 78 percent of all grants were valued at $10,000 per business, with close to 17 per cent of businesses receiving $4,000, 2 percent receiving $2,000 and 2.5 percent receiving $20,000.
    - More than 200,000 employees and contract staff were supported.

2023/24 ESTIMATES NOTE

Advice to the Minister of Jobs, Economic Development and Innovation

- The **COVID-19 Closure Relief Grant** (CRG) program provided grants of up to $20,000 to nightclubs, lounges, gyms, fitness centers, adult dance centers and event venues impacted by the December 22, 2021 PHO orders and the January 10, 2022 extension of those orders.
    - Launched on January 12, 2022, expanded on January 19, 2022 and February 10, 2022 and closed for applications on February 28, 2022.
    - Initial grant funding of up to $10,000 was available to gyms, lounges, nightclubs, and event venues. The grant was expanded up to $20,000 for only nightclubs, lounges, and event venues impacted by the January 19, 2022 PHO order to remain temporarily closed until February 16, 2022. Gyms that were allowed to re-open were still capped at $10,000.
    - 1,721 CRG applications were submitted, of which approximately 73 percent were from gyms, fitness and adult dance businesses, around 18 percent were event establishments and 9 percent were bars, nightclubs and lounges. 1042 businesses (61 percent) received funding totalling $4.9 million.
    - Of total applicants who chose to self-identify, close to 60 or almost 3.5 percent of applicants were Indigenous and close to 670 or almost 40 percent were women.
    - More than 10,000 employees and contract staff were supported.
- The grant programs are complete; there was no funding allocated under the program budget for 2022/23.
- The ministry is working with the Internal Audit and Advisory Services (IAAS) from the Office of the Comptroller General, and an external auditor, to conduct an audit of the SMSBRG and the CBBRG, scheduled to wrap up after external audit has been completed in spring 2023.
- Deloitte has been awarded the external audit contract and the report is expected by March 31, 2023, with a possible extension up to three months if required. The scope includes the SMSBRG and CBBRG programs.
- MNP was awarded a second contract to perform a program evaluation.

Contact:

Swin Chai	Director	Small Business Branch	778 698-9241

2023/24 ESTIMATES NOTE

Advice to the Minister of Jobs, Economic Development and Innovation

ISLAND COASTAL ECONOMIC TRUST

Issue: Island Coastal Economic Trust's request for recapitalization.

RESPONSE

- Island Coastal Economic Trust (ICET) has requested recapitalization from the Province.
- There has been broad support from municipalities and regional districts for ICET's request.
- Advice/Recommentations; Cabinet Confidences; Government Financial Information

KEY FACTS

Background/Status:

- The Island Coastal Economic Trust (ICET) has formally requested recapitalization from the Province.
- ICET was initially capitalized with $50 million, similarly to the other economic trusts, but unlike the Northern Development Initiative Trust (NDIT) and the Economic Trust of the Southern Interior (ETSI-BC), ICET adopted a spend-out model which lacked long-term sustainability.
- In 2018, ICET was recapitalized with an additional $10 million from the Province. As part of the agreement, the Trust committed to disbursing this amount over a minimum of 4 years, and to develop a sustainable financial plan in response to its current spend-out model.
- Despite the $10M recapitalization in 2018, and associated stipulations, ICET will approach the end its available fund and enter the final year of application intakes in FY2023.
- In September 2022, ICET submitted a financially sustainable business case to the Minister of Jobs, Economic Recovery and Innovation requesting a $150M recapitalization.
- Advice/Recommentations; Cabinet Confidences; Government Financial Information

- Since July 2022, the Province and MLA offices have received over 40 letters in support of ICET recapitalization from coastal communities, First Nations and regional partners. In September 2022, a motion in support for recapitalization of ICET was passed with unanimous consent at the Union of BC Municipalities (UBCM).

Contact:

Craig Windrim	A/Executive Director	Regional & Inclusive Economic Recovery	778-698-8784

2023/24 ESTIMATES NOTE

Advice to the Minister of Jobs, Economic Development and Innovation

BC MANUFACTURING JOBS FUND

Issue: BC Manufacturing Jobs Fund Launch

RESPONSE

- As part of Government's supports for forest workers and communities, the BC Manufacturing Jobs Fund (MJF) is a new program that will invest in high-value industrial and manufacturing projects that drive clean and inclusive growth, generate well-paying jobs, and contribute to economic diversification and sustainability.
- A continuous program intake opened on February 28, 2023 for approximately two years.
- Established for-profit manufacturing organizations can access up to $10 million for planning and capital projects that will bring quick and direct benefits to communities throughout B.C.
- While open to all manufacturing sectors, funding will focus on supporting the forestry sector with developing new, sustainable value-added business lines that reduce dependency on old growth logging.

If asked about the Forestry sector and fibre shortages:

- MJF is designed to support innovation in the forestry sector, including making innovative and sustainable uses of existing fibre and biomass.

KEY FACTS

- As part of the Forestry Worker Community Supports announced in November 2021, the Province committed to supporting innovation in regional B.C. through investments in value-added forestry and other manufacturing to mitigate the impacts of old growth deferrals.
- The Manufacturing Jobs Fund was announced at the BC Natural Resources Forum on January 17, 2023.
- MJF will invest up to $180 million over three years to support manufacturing projects across B.C. that will help grow and diversify regional economies.
- The initial program allocation was $90 million for projects in rural and remote B.C.; the scope was expanded in February 2023 to extend eligibility province-wide and add additional funding, particularly to support the value-added manufacturing sector in Metro Vancouver and the Capital Regional District.
- Two funding streams will provide up to $50,000 for business planning to prepare a project for investment readiness, and up to $10 million for new or renovated capital infrastructure including facilities, technology, equipment and processes.
- All manufacturing sectors are eligible to apply, with at least 50% of the total funding dedicated to projects in the value-added forestry sector.
- Project examples include:
    - Repurposing an unused mill site into a value-added facility;
    - Implementing new technology to produce hydrogen fuel cell batteries; or
    - A forestry company purchasing new equipment to support new product lines, such as mass timber production or plastics alternatives manufacturing.
- Projects must demonstrate market readiness, a viable business plan, alignment with economic diversification goals within communities, and direct benefits for communities and workers.

- The program will be administered by a team at the Ministry of Jobs, Economic Development and Innovation (JEDI).
- Advice/Recommentations

- Viable projects will be prioritized for funding based on the following criteria:
    - Within the forestry sector and/or located in forestry-dependent communities;
    - Having a high degree of readiness, need and direct impact; and
    - Those that are Indigenous-led.
- Funding decisions will be made by the Deputy Ministers of JEDI and the Ministry of Forests.
- Funding will be disbursed based on achievement of project milestones.

Financial Implications

- MJF has been approved to access up to $180M in contingency funding over three fiscal years beginning in 2023/2024.

Contact:

Chris Rathbone	ADM	Small Business and Economic Development Division	778-698-8530

2023/24 ESTIMATES NOTE

Advice to the Minister of Jobs, Economic Development and Innovation

FOREST WORKER AND COMMUNITY SUPPORTS (FWCS)

Issue: Support programs to mitigate economic disruption in rural B.C. communities as a result of changes in the forest sector.

RESPONSE

- The Forestry Worker and Community Supports have been a welcomed and successful suite of supports for workers, communities and businesses experiencing forest related impacts.
- We recently added the BC Manufacturing Jobs Fund to an already comprehensive and coordinated suite of supports targeting hard-hit areas.

If asked about Bridging to Retirement or Skill Training as related to FWCS:

- Refer Bridging to Retirement to Ministry of Labour
- Refer Skills Training to Ministry of Post-Secondary Education and Future Skills (PSFS)

KEY FACTS

Background/Status:

- In response to changes in the forest sector and the expected job loss, government announced the Forestry Worker and Community Supports (FWCS) in Fall 2021.
- The FWCS is a suite of programs offered by the ministries of Jobs, Economic Development and Innovation (JEDI), Post-Secondary Education and Future Skills (PSFS) and Labour (LBR) to support impacted workers, businesses, and communities.
- A contingency allocation of $185M towards the FWCS over three years FY2022/23 to FY 2024/25 included the following programs through JEDI:
    - **Forest Employment Program (FEP):** Creates short-term employment to help forest and land-based contractors explore new work. FEP is an internally administered program. Individual projects funded through FEP are led on the ground by staff throughout Regional Operations, who manage individual contracts. The Program creates short-term employment opportunities in areas acutely affected to reduce the impact of job losses on the communities.
    - **Rural Business and Community Recovery Initiative (RBCRI):** Hires advisers to help create jobs and support rural businesses and communities in hard hit areas. The funding will be distributed through regional programs administered by the Northern Development Initiative Trust, the Economic Trust of the Southern Interior and the Island Coastal Economic Trust. Each trust will receive $1.5 million.
    - **Enhanced Community Transition Services:** Ensures supports are in place for workers and communities after a community transition event (for e.g., mill closure).
    - **Rural Economic and Diversification Infrastructure Program (REDIP):** REDIP is a new grant launched by the Ministry of Jobs, Economic Development and Innovation (JEDI) to promote economic diversification, clean growth and infrastructure development. Eligible applicants include local governments, regional districts, indigenous communities and organizations, indigenous development corporations, and not-for-profits.
- The $185M also included funding for:

  - **Bridging to Retirement (LBR):** Offers forestry workers, 55 and older, up to $75K to help transition to retirement.
  - **Skills Training for Job Pathways (PSFS):** Connects affected workers and communities with skills training opportunities.
- As part of the original FWCS suite of programs, the BC Manufacturing Jobs Fund (MJF) was announced in February 2023 to support value-add manufacturing with an additional $180M in funding for FY2023/24 to FY2025/26.

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

Title: Employment Standards Branch Budget, Resources and Service Levels

Revised: March 17, 2023

Issue: Employment Standards Branch budget and resourcing to transform employment standards service delivery

Response:

- The Ministry of Labour is committed to changes to restore confidence in the employment standards system for workers and employers in British Columbia.
- The Employment Standards Branch budget for 2023/2024 is $17.702 million, an increase of $3.692 million from the 2022/23 budget of $14.010 million.
    - Approximately $3 million was received to support the branch's sustainable complaints management strategy, and the remainder is attributed to compensation increases under the Shared Recovery Mandate.
- *Budget 2023* provides an increase of almost $12 million over three years to support the Employment Standards Branch's sustainable complaints management strategy including to eliminate the historical complaints. Funding was received to support incremental hiring of 33 Full Time Equivalents (FTEs) and supporting operating costs:
    - Increase of approximately $3.135* million in 2023/24 to support the hiring of 20 FTEs
    - Increases of $3.984* million in 2024/25 to support hiring 8 FTEs for a total of 28 FTEs
    - Increase of $4.821* million in 2025/26 to support hiring 5 FTEs for a total of 33 FTEs

  * A portion of the increase in each year ($152,000 in 2023/24, $212,000 in 2023/25, and $304,000 in 2025/26) is attributed to additional corporate services support required within the Information Systems Branch (under Executive and Support Services).
- With an effective employment standards system in place, B.C. can attract and retain the workers needed to grow our economy and employers can invest here knowing there is a level playing field.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

Background/Status:

Situation before budget increases beginning in 2018

- In the recent past, Employment Standards Branch (ESB) budget and resourcing was often the subject of criticism.
- The ESB budget was relatively stable over several years, totalling between $7.8-$7.9 million per year from 2013/14 through 2017/18.
- Labour stakeholders claimed that ESB budget and staff reductions had led to a significant reduction in enforcement of the *Employment Standards Act* and protections for B.C. workers.
- In particular, labour stakeholders were critical that the ESB did very few proactive investigations and audits to ensure that workers were receiving their entitlements under the *Employment Standards Act.*

Budget increases beginning in 2018/19

- Beginning in 2018/19, the budget for the ESB increased. These increases supported the Minister of Labour's mandate letter commitment to ensure that employment standards are applied evenly and enforced.
- Through changes brought into force through the *Employment Standards Amendment Act, 2019* (Bill 8) including eliminating the Self-Help kit and increasing the wage recovery period to one year, workers now have increased access to the Branch and increased protections.
- The increases also recognized the ESB was given the responsibility to administer the *Temporary Foreign Worker Protection Act* (TFWPA) – including implementing licensing for foreign recruiters and a registry for employers seeking to hire temporary foreign workers.
- Budget 2018, provided an increase of $4 million over three years. In the first year, $750,000 was allocated to engage in planning activities for modernization and $250,000 went to the Labour Policy and Legislation branch to support development of the *Temporary Foreign Worker Protection Act*. These funds were used to undertake service design research and help ready the ESB for transformation and to develop modern business tools to assist in the overall modernization of employment standards in B.C.
- Budget 2019 provided an increase of $14 million over three years to support the transformation of the Employment Standards Branch – a base budget increase of approximately $3.8 million in 2019/20 and an incremental increase of approximately $1.2 million in 2020/21, for a total of $14 million over three years.

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

	18/19	19/20	20/21	21/22	Total
Budget 2018	$1.000M	$1.000M	$1.000M	$1.000M	**$4.000M**
Budget 2019		$3.786M	$3.786M	$3.786M	**$13.786M**
			$1.214M	$1.214M	
Cumulative budget Increase	**$1.000M**	**$4.786M**	**$6.000M**	**$6.000M**	**$17.786M**

ESB Transformation

- The increases in funding enabled ESB to make significant improvements to services for workers and employers including:
    - Streamlining the branch's process for receiving complaints;
    - Improve collection efforts of unpaid wages for workers;
    - Make technology upgrades to manage the new complaints process, improve data collection and reporting;
    - Improve the accessibility of services for those with different abilities and communication needs; and
    - Implement the *Temporary Foreign Worker Protection Act*, including the creation of the registries and a new unit to better protect temporary foreign workers.
- The ESB completed a systemic transformation project to meet an expanded mandate including:
    - Development of new tools, including a guided pathway to assist employees and employers to understand minimum standards;
    - Development and launching of a new, more accessible website;
    - Removing the Self-Help Kit as a requirement to filing complaints;
    - Development of a new integrated Case Management Information System;
    - Implementing a new investigation process to meet the new legislative direction of Bill 8 – *Employment Standards Amendment Act*;
    - Establishing more efficient staffing processes and improved training to increase complaints processing capacity;
    - Centralization of administrative functions to free up resources for complaint resolution;
    - Reviewing and streamlining processes to increase efficiency and consistency across the branch; and
    - Improving the intake process to better respond to incoming complaints.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

ESB Performance Measures

- The dedicated and hardworking ESB staff accomplish a significant amount with the resources they receive. Some examples include:
  - Staff resolve approximately 5,600 complaints per year and recover an average of $8.35 million per year in wages for workers (5-year averages).
  - Staff answering multi-lingual and information line queries help approximately 95,000 callers per year (5-year average).
  - 91 per cent of decisions issued by ESB were upheld on appeal (five-year average).

ESB Budget and Staff Positions

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Budget Allocated	$7.9M	$8.7M	$13.0M	$13.8M	$14M	$14M	$17.7M
Staff positions (includes vacancies)	96	99	135	142	142	142	162
Staffing budget (base salaries & benefits)	$6.0M	$8.0M	$10.9M	$11.8M	$11.97 M	$11.97 M	$15.46 M

ESB Service Indicators

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023 [i] (forecasted)
Individual complaints closed within 6 months (Service Plan Target was >85% but has been re-adjusted to account for ESB's aging backlog)	92%	73%	47%	51%	Advice/Recommentations; Cabinet Confidences

Contact:

Mary Walsh	Executive Director	Employment Standards Branch	604 398 6108

Advice/Recommentations; Cabinet Confidences

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

Title: **Employment Standards Transformation**

Revised: **March 17, 2023**

Issue: **Modernizing service delivery in the Employment Standards Branch**

Response:

- The Employment Standards Branch (ESB) provides key services for both workers and employers in BC's workplaces.
- Budget 2023 includes an increase of $11.939 million over three years for the ESB. This money will be used to hire as many as 33 more full-time staff in response to the growing demand for the ESB's services. This includes resolving disputes between workers and employers, providing guidance on employment standards, and processing employer registrations for temporary foreign workers (TFWs).
- We have prioritized improvements to the ESB's business to streamline processes and improve service delivery for all clients.
- In Budget 2019, $14 million in new funds were invested over three years to increase employment standards protections and enforcement in the province.
- We have completed ESB's transformation, which included improving our offering of online services, such as our compliant intake, temporary layoff variance portal, and online child permitting process, and we have established a toll-free multi-lingual information line to better serve BC's workers and employers.
- We have removed barriers to accessing the ESB's services, like the "Self-Help Kit", and we have established public registries of foreign worker recruiters and employers who hire temporary foreign workers, so vulnerable workers can view the status of a recruiter's licence or an employer's certification.
- We have improved our advisory services to provide service in 140 languages, so workers know their rights and employers know their obligations under BC's employment standards law.
- We have created new tools, like the "guided pathway" to customize our web content to meet people's needs, and we have improved our web content to be accessible to those with visual impairments.

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

- These, and other improvements we are making, will ensure that BC workplaces support an inclusive, sustainable economy that works for everyone.

If asked what other improvements have been made…

- In addition to the initiatives I just mentioned, we continue to focus on increasing our collections activity with a new telephone payment option and a dedicated collections team working to return wages and funds owed to workers.

Background/Status:

- The Minister articulated a vision for systemic improvement to the employment standards system that included:
  - removing barriers for workers to access their statutory entitlements;
  - streamlining the complaint process;
  - undertaking proactive enforcement activities (site visits, audits, investigations) in targeted sectors of industry to address bad actors and level the playing field for good employers;
  - focusing on improved collections outcomes for workers through improved data collection and ESB re-alignment; and,
  - protecting vulnerable temporary foreign workers working in BC.
- In Budget 2018, the ministry received $1 million to undertake planning work to support the ESB business transformation, including planning for the new *Temporary Foreign Worker Protection Act* (TFWPA).
- In April 2019, the ESB increased capacity through a hiring process and added 36 new positions to support complaints processing, collections, and proactive enforcement. In addition, we completed a series of projects to pilot new services, improve current processes, and create new information tools and supports for workers and employers to begin the shift from a complaints-based system to one where more proactive enforcement of the law, investigations, and education will better support BC's workers, employers, and a sustainable growing economy.
- In 2021, the ministry hired 24 temporary Employment Standards Officers to support the complaints team and realigned its organizational structure to better-use its resources, continuing its focus on reducing the backlog of worker complaints.
- In 2022, the ministry continued actively recruiting into all base positions, including its investigator roles. The current labour climate has challenged the ministry's recruitment and retention efforts.

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

- The ministry is implementing a new Case Management System to streamline work assignment and complaint processing and to improve service to clients, such as developing secure environments to upload documents.
- By late 2022, the ESB had accomplished its primary transformation objectives:
    - New legislation was implemented/incorporated into programming (*Employment Standards Act* amendments and introduction of the TFWPA).
    - Services shifted from a mediation-based model to an investigation model with the aim to reduce the risk that workers settle for less than they are legally entitled (i.e., often occurred in mediation).
    - Upgraded infrastructure/case management system moved ESB away from a paper-based intake process and introduced an online intake form for complaints, licensing, and registrations, as well as a backend system to support case intake, triage, evaluation, investigation, document storage, and decision-making.
    - The removal of barriers to accessing ESB services (all complaints must now be investigated) and modernized technology are contributing to more responsive service delivery.
- These are significant changes to the ESB business model and represent, in part, a return to an approach not taken since before 2002. The ambitious pace and scale of these service changes have contributed to caseload and budgetary pressures. Change management has been further complicated by COVID-19.
- Budget 2023, tabled in the Legislature on February 28, 2023, included an increase of $11.939 million over three years for the ESB. This money will be used to hire as many as 33 more full-time staff in response to the growing demand for the ESB's services, including resolving disputes between workers and employers, providing guidance on employment standards, and processing employer registrations for TFWs.

Contact

Mary Walsh	Executive Director, ESB	604 398 6108

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

Title: Updating Employment Standards

Revised: February 22, 2023

Issue: Recent amendments to employment standards legislation

Response:

- Major amendments were made to the *Employment Standards Act* (the Act) in 2019, with a focus on four priority amendment areas:
  - better protecting children and youth from dangerous work;
  - making it easier for workers to get help when they feel their rights have been violated;
  - ensuring people are paid the wages they are owed and that those who violate the law do not have an unfair economic advantage; and,
  - providing more job protection to people dealing with difficult personal circumstances.
- Other changes made to the Act since 2018 include introducing paid domestic or sexual violence leave, job-protected personal illness or injury leave, job-protected COVID-19-related leave, paid COVID-19 vaccination leave, paid COVID-19-related sick leave, and paid and unpaid personal illness or injury leave.
- A number of amendments have also been made to the Employment Standards Regulation, including those made in response to the COVID-19 public health emergency.
- Government continues to work to ensure that BC's employment standards legislation is responsive to the needs of employment in the 21st century.

Background/Status:

- Since 2018, the following amendments have been made to the *Employment Standards Act* (Act) and the Employment Standards Regulation (Regulation):

  2018

  - *Employment Standards Amendment Act, 2018* (Bill 6):
    - added two new leaves: leave for parents on the death of their child and leave for parents on the crime-related disappearance of their child;
    - increased the length of compassionate care leave;
    - allowed maternity leave to start earlier; and,
    - permitted parental leave to be taken for a longer period.

- BC Reg 32/2018 involved housekeeping amendments to repeal and replace confusing or outdated references in the Regulation (part of "Red Tape Reduction Day 2018").
- BC Reg 80/2018 increased the general minimum wage rates, effective June 1 of 2018, 2019, 2020, and 2021.

2019

- *Employment Standards Amendment Act, 2019* (Bill 8) made a number of changes to the Act (many in response to recommendations in the BC Law Institute's 2018 "Report on the *Employment Standards Act*"), including:
  - requiring a permit from the Director of Employment Standards (Director) to employ a child under 16;
  - as an exception to the requirement for a permit, allowing 14 and 15-year-olds to perform "light work" that is safe for their health and development with parental or guardian consent only;
  - prohibiting the employment of persons under 16 in hazardous industries or in hazardous work, or up to under 19 if a higher age is specified for particular industries or work;
  - requiring licensing of temporary help agencies [not yet in force];
  - introducing unpaid domestic or sexual violence leave and critical illness or injury leave;
  - introducing provisions protecting workers' rights with respect to tips and gratuities;
  - restoring the Act as the floor for new and renewed collective agreements;
  - modernizing the Employment Standards Branch and increasing the responsibilities of the Director;
  - eliminating the Self-Help Kit; and,
  - extending the wage recovery period to 12 months, with the Director having the discretion to extend to 24 months in prescribed circumstances.

  While most of the amendments made by Bill 8 are now in force, regulations are still required to bring into force the provisions regarding the licensing of temporary help agencies and the waiving of monetary penalties by the Director. Advice/Recommentations
  Advice/Recommentations
- BC Reg 36/2019 involved housekeeping amendments to repeal and replace confusing or outdated references in the Regulation (part of "Better Regulations for British Columbians 2019").
- BC Reg 191/2019 excluded members of the Ambulance Paramedics and Ambulance Dispatchers Bargaining Association who work for BC Emergency Health Services from the hours of work and overtime provisions in Part 4 of the Act.

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

2020

- *Employment Standards Amendment Act, 2020* (Bill 5) provided a new employer-paid leave of up to five days for employees experiencing, or who have specified family members experiencing, domestic or sexual violence.
- *Employment Standards Amendment Act (No.2), 2020* (Bill 16) introduced:
  - unpaid, job-protected COVID-19-related leave; and,
  - three days' unpaid, job-protected leave for personal illness or injury each year.
- BC Reg 94/2020 extended the term for a temporary layoff to 16 weeks (previously 13) in any period of 20 consecutive weeks if the COVID-19 emergency is a cause of all or part of the layoff.
- BC Reg 148/2020 extended the term for a temporary layoff to 24 weeks, ending on or before August 30, 2020, in any period of 28 consecutive weeks if the COVID-19 emergency is a cause of all or part of the layoff.
- BC Reg 185/2020 streamlined the approval process for temporary layoff variances requests, including allowing for a joint employer-employee application and written approvals to be submitted to the Director in an on-line form.

2021

- *Employment Standards Amendment Act, 2021* (Bill 3) provided up to three hours of paid leave, per dose, to employees in BC receiving a COVID-19 vaccination.
- *Employment Standards Amendment Act (No.2), 2021* (Bill 13) introduced up to three days of paid COVID-19-related leave (ending December 31, 2021) and creating a permanent paid personal illness and injury leave (starting January 1, 2022), with the number of days to be prescribed by regulation.
- BC Reg 11/2021 approved a consequential amendment (brought forward by the Ministry of Attorney General) that repeals the reference to profession-specific statutes in s. 31 of the Regulation with regard to engineers and foresters, replacing them with references to the *Professional Governance Act*.
- BC Reg 64/2021updated language to reflect Government's commitment to gender equity and recognition of non-binary people.
- BC Reg 215/2021 brought into force a number of sections of 2019's Bill 8, including:
  - making the complaint process more effective;
  - promoting proactive enforcement by the Employment Standards Branch;
  - establishing new definitions of "domestic worker" and "sitter";
  - increasing the general age for which a Director's permit is required (from under 12 to under 16) for a child to work in BC; and,
  - permitting 14- and 15-year-olds to perform "light work" without a permit but with parental or guardian consent.
- BC Reg 216/2021:
  - added two additional situations under which employees may qualify for COVID-19-related leave; and,

- requires employers to provide unpaid leave to their employees to be vaccinated against COVID-19 or to assist a dependent family member to do the same.

- BC Reg 293/2021 created an employee entitlement of five days of employer-paid illness and injury leave per year, effective January 1, 2022.

2022

- *Employment Standards Amendment Act, 2022* (Bill 19) ensured that paid sick leave is applied on a calendar year basis and that workers are eligible for five days of paid sick leave for 2022 and subsequent calendar years; Bill 19 also removed paid sick leave from the "meet or exceed" clause in section 3 of the Act in order to ensure that eligible workers who did not previously receive at least five paid sick days under their collective agreement are entitled to that benefit.
- BC Reg 139/2022 increased the minimum wage rates, effective June 1, 2022 and January 1, 2023 (for piece rates).
- BC Reg 200/2022 specified work that is too hazardous for the health and safety of young workers and sets minimum ages of 16 or 18 for this work, effective January 1, 2023.
- BC Reg 208/2022 approved a consequential amendment (brought forward by the Ministry of Health) that repealed the reference to the "College of Dental Surgeons of British Columbia" in section 31 (e) of the Regulation, replacing it with a reference to the "British Columbia College of Oral Health Professionals".

2023

- BC Reg 32/2023 approved a consequential amendment (brought forward by the Ministry of Post-Secondary Education and Future Skills) that, in the section that excluded specified professions from the Act, repealed the reference to "an architect, as defined in the *Architects Act*" in s. 31 (a) of the Regulation, updated the reference in s. 31 (f) to "professional licensee engineering", and added a new s. (f.1) referencing "an architect, architectural technologist or intern architect under the *Professional Governance Act*".
- BC Reg 53/2023 increased the length of the term for a licence issued to talent agencies and employment agencies from the previous one year to up to three years as specified by the Director (part of the "Better Regulations for British Columbians 2023").

Contact:

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

Title: Employment Standards Branch Backlog Reduction

Revised: March 19, 2023

Issue: The Ministry has a significant employment standards complaints backlog.

Response:

- I am committed to ensuring that workers and employers have access to the Employment Standards Branch when they need it.
- In 2019, we began modernizing the Employment Standards Branch to make it easier for people to access needed services, because over the previous 16 years there were barriers and it was difficult to get help.
- As we removed barriers and began providing easier access, the volume of complaints rose.
- Between 2019-2022 we continued to add new staff, including 36 new permanent staff in 2019 and numerous temporary staff in the following years, to support complaints investigation.
- The Employment Standards Branch budget for 2023/2024 is $17.702 million, an increase of $3.692 million from the 2022/23 budget of $14.010 million.
- *Budget 2023* provides an increase of $11.939 million over three years to support the Employment Standards Branch's sustainable complaints management strategy and eliminate the historical complaints. Funding was received to support incremental Full Time Equivalents (FTEs) and supporting operating costs:
    - Increase of approximately $3.135 million in 2023/24 to support hiring of 20 FTEs
    - Increases of $3.984 million in 2024/25 to support hiring 8 more for a total increase of 28 FTEs
    - Increase of $4.821 million in 2025/26 to support hiring 5 more for a total increase of 33 FTEs
- We are continuing to invest in the Employment Standards Branch to ensure workers and employers can access the Branch's valuable advice and services when they need it.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

Background/Status:

- Over the last number of years, the Employment Standards Branch (the Branch) has seen an increase in complaints volumes. In 2018, the Branch received 4937 complaints while in 2019 that number rose to 7617, in 2020 to 7403, in 2021 to 6,215 and in 2022 to 7723. The Branch also experienced a significant increase in demand for advisory services with 139,684 calls and emails from workers and employers – up from 74,800 in 2020.
- In addition, in 2019 the Ministry removed the Self-Help Kit, doubled the statutory recovery period from 6 months to one year and launched the *Temporary Foreign Worker Protection Act.* Pandemic response actions including temporary layoff variances, vaccination leave, and illness and injury leave also resulted in new work for the Branch. All of these factors and improvements made the Branch more accessible, and increased demand for its services.
- The Branch also pivoted from a mediation/adjudication model to a full compliance investigation model. While the new investigation model provides greater access and opportunity to participate in the complaint process for workers, as well as enhanced education, resolution and compliance service delivery, these benefits require additional time, training and skills, and resources by Investigators.
- To address the increase in complaints, the Ministry has developed new, streamlined intake and triage processes to provide better outcomes for workers, improved the use of technology as part of its overall digital transformation strategy and improved information gathering.
- As of February 15, 2023, the backlog was reduced to 4,584.
- The Branch is actively recruiting and onboarding new permanent and temporary staff in all roles that support complaints process, including Data Integrity Clerks, Employment Standards Officers, Industrial Relations Officers and Decision Makers.

Government Financial Information
Government

Contact:

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

Title: **Paid Sick Leave**

Revised: **March 19, 2023**

Issue: **Paid COVID-19 Sick Leave and Paid Personal Illness and Injury Leave**

Response:

- To better support workers and employers during the pandemic, and to support healthy and safe workplaces, our government established two new sick leaves under the *Employment Standards Act* (the Act).
- In May 2021, the Act was amended (Bill 13) to establish two new paid leaves:
    - **COVID-19 sick leave** (effective May 20, 2021 to December 31, 2021): up to three days of paid leave for employees who have symptoms, are self-isolating, or are waiting for a test result.
    - **Permanent paid sick leave** (effective January 1, 2022): up five days of paid leave per calendar year.
- The minimum five-day entitlement for permanent paid sick leave was determined after a comprehensive public engagement and consultation process, including a public survey.
- I also personally met with representatives from the business community, labour organizations, Indigenous partners, and other stakeholders to hear their views.
- In March 2022, amendments were passed to simplify and strengthen the sick leave provisions, and to ensure that workers receive the entitlement to five days of paid sick leave per calendar year.
- I am aware of recent claims made by the Greater Vernon Chamber of Commerce regarding potential abuses of sick leave by employees. The Ministry is committed to ensuring that the rules balance the needs of both employees and employers.
- B.C. leads other provinces in supporting workers and ensuring that they do not have to go to work when they are sick.

Background/Status:

- In May 11, 2021, in order to support workers to stay home when they are sick, the *Employment Standards Act* (the Act) was amended (Bill 13) to provide:
    - A permanent entitlement to paid personal injury and illness leave (effective January 1, 2022); and,

  - Up to three days of paid COVID-19 sick leave (effective May 20, 2021 to December 31, 2021).

- An estimated 50% of B.C. employees did not previously have access to paid sick leave – meaning that upwards of one million workers in B.C. potentially benefit from receiving these new paid sick leaves. The ability to take paid leave is especially beneficial to many vulnerable and low-wage workers (often women or migrant workers) who lack benefits.
- In March 2022, amendments were passed to simplify and strengthen permanent paid sick leave. The changes:
  - Apply the entitlement on a calendar-year basis (not rather than "employment year" based on an employee's employment start date). This simplifies administration for employers, and ensures workers receive five days of paid sick leave per calendar year, starting in 2022.
  - Provide workers with five days of paid sick leave regardless of the terms of a collective agreement. This addresses situations in which employers claimed to have collective agreements that "meet or exceed" minimum standards in the Act, even if the first five days of sick leave were not fully paid or some workers had no paid sick leave.

<u>Paid personal illness and injury leave:</u>

- Effective January 1, 2022, all employees covered by the Act are eligible for five days of employer-paid sick leave after 90 consecutive days of employment.
- In order to meet the needs of workers and support healthy businesses, the number of paid days was determined after a comprehensive, multi-phase public engagement and consultation process over Summer and Fall 2021.
- In the first phase, the Ministry of Labour invited all workers and employers to complete a survey regarding their current sick leave benefits, if any, and to comment on where improvements could be made.
- This survey informed the second phase, where the Ministry developed a paper presenting three options for public feedback and consultation: a minimum entitlement of three, five or ten days of paid sick leave per year.
- The Ministry then consulted on these options with a variety of stakeholders, including workers, employers, business associations, labour advocates, Indigenous partners, non-profit organizations, and local governments.
- The amendments passed in March 2022 to clarify paid sick leave provisions were also based on consultations with business associations and workers.

2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

Recent claims of employee abuse of sick leave

- In March 2023, the Greater Vernon Chamber of Commerce (GVCC) reported that a recent survey of its members shows employees are abusing sick leave provisions.
- Survey respondents stated that some employees are treating paid sick days as holidays and even trying to bank them for time off.
- The GVCC stated that it will be requesting the following rule amendments:
    - Some form of verification of illness be identified, such as a physicians' note;
    - Employer-paid sick leave be pro-rated for part-time or casual staff; and
    - Employers be compensated for paid sick leave, potentially through WorkSafeBC.
- Under the Act, an employer may ask for "reasonably sufficient proof" that an employee is entitled to paid sick leave. While this often means a doctor's note or similar documentation, it is not always necessarily the case and can depend on the particular situation.
- Where there is a dispute between an employer and an employee, "reasonably sufficient proof" will be determined by the Director of Employment Standards.

Paid COVID-19 sick leave:

- Employees in the following circumstances were eligible for up to three days of paid sick leave from the date of Royal Assent (May 20, 2021) until December 31, 2021:
    - they have been diagnosed with COVID-19 and are acting on the instructions or orders of a medical health officer or the advice of a medical practitioner, nurse practitioner, or registered nurse;
    - they are in quarantine or self-isolation in accordance with an order made by the provincial health officer or under the federal *Quarantine Act*, or in accordance with guidelines from the B.C. Centre for Disease Control or the Public Health Agency of Canada; or,
    - they have been directed by their employer to stay home because of concerns about an exposure risk for others.
- While employers were required to pay workers on COVID-19 sick leave their full wages, the Province reimbursed employers who do not have an existing sick leave program up to $200 per day per worker to cover costs. For more information on this program see Estimates Note on Employer Reimbursement Program at TAB 23.

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

Title: National Day for Truth and Reconciliation

Revised: March 19 , 2023

Issue: National Day of Truth and Reconciliation, September 30

Response:

- Our government is committed to lasting and meaningful reconciliation with the Indigenous Peoples of BC.
- In February 2023, Government introduced the *National Day for Truth and Reconciliation Act* in the BC Legislative Assembly, to establish September 30 as a provincial statutory holiday, effective 2023.
- This responds to the Truth and Reconciliation Commission's Call to Action #80 – which called upon the federal government to establish a statutory holiday to honour residential school survivors, their families, and communities.
- This means that eligible BC workers can observe September 30 with a paid day off or receive payment at premium rates if required to work.
- BC residents can help to advance reconciliation by participating in local commemoration or education events, having important conversations, and finding meaningful ways to learn more about our shared history on the day.
- In 2022, Government consulted with Indigenous partners, leaders, communities, in addition to BC employers and employees, to understand support for the new holiday. These consultations found overall strong support, particularly among employees and Indigenous leaders and partners.
- British Columbia joins Canada, Prince Edward Island, the Northwest Territories, Nunavut and the Yukon as jurisdictions that have designated September 30 as a statutory holiday.

Background/Status:

- On June 5, 2021, the Federal Government passed an amendment to the *Canada Labour Code* to add a new statutory holiday, the "National Day for Truth and Reconciliation" to be observed every September 30 by federally regulated workers.
- This responded to the Truth and Reconciliation Commission of Canada's call to action # 80 calling for the federal government to create a new statutory holiday

honouring Indigenous survivors of residential schools, their families, and communities and publicly commemorating the legacy of residential schools.

- The federal government chose September 30 for the holiday to build on the grassroots momentum of Orange Shirt Day, which is already known as a day to remember the legacy of residential schools and to move forward with reconciliation.

- For September 30, 2021, and 2022, the national holiday was observed by federal employees and workers in federally regulated workplaces, including roughly 10% of BC workers employed in banks, airlines, the post office, and other federally regulated sectors.

- During this time, BC employers in provincially-regulated sectors were not required to give their employees a paid day off on September 30. Some provincially regulated employees were entitled to the federal holiday where collective agreement provisions required employers to honour federal holidays.

- In 2021 and 2022, the BC Government directed all public sector employers to observe this day as though it were a statutory holiday, in recognition of the obligations in the vast majority of public sector collective agreements and Government's commitment to reconciliation. Many public services remained open but operated at reduced levels. Most schools, post-secondary institutions, some health sector workplaces, and Crown corporations were closed.

- In Spring 2022, the Ministry of Indigenous Relations and Reconciliation engaged in targeted consultations with residential school survivors and Indigenous partners, leaders, and communities. This engagement found strong support for establishing the National Day for Truth and Reconciliation as a statutory holiday and using the day to enable BC workers to participate in commemorative events.

- In Fall 2022, the Ministry of Labour developed an online survey to understand support for the new holiday among BC employers and employees. The results of the survey demonstrate overall support for establishing the new statutory holiday. While employees showed strong support for establishing the new holiday, the lowest levels of support were found among small and private sector employers. Some private sector and small employers also voiced concerns that it would be difficult for them to manage the additional costs associated with the new holiday.

- In February 2023, Government introduced the *National Day for Truth and Reconciliation Act* in the BC Legislative Assembly to establish September 30 as a statutory holiday under the *Employment Standards Act*. This ensures that eligible BC workers are entitled a paid day off on the day or additional payment at premium rates, if required to work, effective 2023.

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

- As BC public sector employers currently observe the day, this will not result in additional incremental cost pressure to the broader public service. The impact of the new holiday would be primarily on private sector employers and workers.

- While most Canadian jurisdictions close schools and government offices on September 30, Prince Edward Island, the Northwest Territories, Nunavut, and the Yukon have designated the day as a provincial/territorial statutory holiday.

- BC now has 11 statutory holidays and is tied with the Northwest Territories, Nunavut, and the Yukon as having the most statutory holidays in Canada.

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2023/24 Estimates Note
Advice to the Minister

Ministry: **Ministry of Labour**
Minister Responsible: **Hon. Harry Bains**

Title: Collective Bargaining

Revised: March 19, 2023

Issue: How the BC Labour Relations Board and the Ministry of Labour assist in collective bargaining disputes to facilitate resolution and protect the public interest

Response:

- The Ministry of Labour monitors collective bargaining disputes, including those that might have a negative impact on the public interest, whether in the public or private sector.
- Where possible, we encourage parties to use the services of the Mediation Division of the Labour Relations Board to assist them in resolving disputes. In addition, prior to a strike or lockout, where appropriate, the Labour Relations Board will establish essential service levels to protect the health, safety or welfare of British Columbians.
- Collective agreements have their best outcomes when negotiated at the bargaining table, allowing the parties to work out their differences; with mediation or similar help if necessary.
- The Ministry is not involved in the establishment of bargaining mandates for the public sector and is, in fact, neutral in collective bargaining. The mandate can be addressed by the Minister of Finance.

If asked about the status of the Fire and Police Services Collective Bargaining Act (the Act)*:*

- The Ministry continues to monitor the operation and impact of this legislation, as it does with all labour legislation. However, there are no plans to amend the Act at this time.

Background/Status:

- As collective agreements expire in the private and public sectors, there is a risk of work stoppages (either strikes or lockouts) that may require the involvement of the Ministry of Labour (the Ministry). There may be pressure from the public, the parties involved and line ministries, or there may be political pressure to intervene in a particular dispute. The issue for the Ministry is identifying when and how to intervene, if at all.
- The Ministry is neutral with respect to collective bargaining. That is, the Ministry takes no position in collective bargaining or in any dispute other than to protect the

public interest. The Ministry is not involved in public sector bargaining or the establishment of the public sector collective bargaining mandate.

- The services of the Mediation Division of the Labour Relations Board (LRB) may be needed to assist employers and unions to resolve disputes during collective bargaining. Generally, those services are accessed by one or both parties making an application to the LRB. Disputes may include establishing the services and staffing to ensure the provision of essential services to protect the health, safety or welfare of the residents of the province prior to a union being able to engage in a legal strike (or an employer in a legal lockout).
- The Ministry monitors all disputes that could have an impact on the public interest. Ministry staff provide advice to the Minister about when and how government may need to intervene in a dispute in order to protect the public interest. The Ministry may get involved informally or formally to assist the parties to facilitate collective bargaining. Further, the *Labour Relations Code* (the Code) provides formal mechanisms for the Minister to assist in disputes if requested by the parties, or if the Minister determines it to be necessary and in the public interest (e.g., appointing a Special Mediator or an Industrial Inquiry Commission with specific terms of reference).
- At times, there is public or media pressure for the Minister to direct the parties in a collective bargaining dispute to proceed to binding arbitration to resolve the dispute. There is no mechanism for the Minister to do that, including under the Code, except in police and fire fighter collective bargaining, due to the specific provisions of the *Fire and Police Services Collective Bargaining Act*.
- The Ministry is in touch with the parties in disputes to offer assistance, where possible, and to be as informed as possible of developments. The objective is to try to assist parties to achieve a voluntary end to their collective bargaining dispute while minimizing the negative impact of a work stoppage on the public.
- Generally, other jurisdictions in Canada have similar statutory mechanisms for intervention in collective bargaining disputes and for protecting the public interest.
- The *Fire and Police Services Collective Bargaining Act* (the Act) recognizes that there is no real right to strike or lockout with respect to police and fire fighters due to their high essential services nature and that an alternative mechanism is necessary to end bargaining deadlocks.
    - The Act establishes a framework for resolving collective bargaining disputes by binding interest arbitration. Either the union or the employer may apply to the Minister for direction that a dispute be resolved by arbitration if the parties fail to reach agreement on their own.
    - In past years, municipal employers have raised concerns about the specific requirements for the arbitrator set out in the Act. Some municipalities have

argued that arbitrators have not placed sufficient emphasis on local economic conditions and other local collective agreement settlements, municipal financial capacity, local recruitment issues and the size of various municipalities in determining an appropriate economic adjustment.

- Municipalities and the Union of BC Municipalities (UBCM) have sought amendments to the Act and a broad-based review of whether the Act is meetings its objectives. Over the past several years, government has indicated to municipalities, UBCM and to the BC Professional Fire Fighters Association that there are no plans to review the Act, as the Act is achieving the objectives for which it was established.

BC Bargaining Database

- In 2008, the BC Bargaining Database was launched in partnership with the BC Federation of Labour, the Business Council of BC and the Labour Relations Board to provide data and trends on collective bargaining.
- The database provides important information about collective bargaining to the public. It is particularly valuable because it provides objective data to employers and unions about other collective bargaining settlements so that they do not have disputes about this information at the bargaining table. An online database and website was created in late 2013.
- Previously, a three-year shared cost-funding arrangement between the Ministry and the Business Council of BC was put in place to keep the database in operation to March 31, 2021. That three-year contract was based on a cost-sharing model in which the Business Council of BC makes an equivalent monetary contribution. The Ministry provided $177,000 over the three years. The agreement was then extended for two more years, until March 31, 2023 with a Ministry contribution commitment of $148,600 over the new period. As of March 3, 2023, the Ministry was in the process of finalizing a further two-year extension where the province commits to:
  - Fiscal 23/24 - $85,500
  - Fiscal 24/25 - $70,500

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ESTIMATES NOTE

TOPIC Children, Youth and Young Adults Mental Health and Addictions - Overview

Issue: Improving Wellness for Children, Youth, and Young Adults

Key Messaging and Recommended Response:

- **We are working hard to make sure children, youth and young adults receive the supports they need so they have the greatest chance for success and wellbeing.**
- **Through government investments made in *A Pathway to Hope,* we are continuing to build an integrated network of services to support children, youth, young adults and their families by promoting mental wellness, preventing the onset of mental health and substance use challenges, and identifying those who are struggling with mental illness or addiction early and connecting them to effective and culturally safe services and supports.**
- **This government has implemented multi-disciplinary Integrated Child and Youth Teams in Maple Ridge-Pitt Meadows, Comox Valley, and Richmond with ongoing implementation happening in Coast Mountains and Okanagan-Similkameen School Districts. Seven new communities are now implementing ICY Teams, including: Fraser- Cascade (Hope, Harrison, Agassiz, Boston Bar) Kootenay – Columbia (Castlegar/Trail), Mission, Nanaimo-Ladysmith, Okanagan – Shuswap (Salmon Arm), Pacific Rim (Port Alberni) and Powell River. And ICY teams will expand to another 8 school district communities for a total of 20 communities by 2025/26.**
- **Government continues our investment in Foundry Virtual and Foundry site expansion towards 23 centres province-wide by 2025/26.**
- **Ministry of Education and Child Care has implemented the Mental Health in Schools Strategy (MHiS), embedding positive mental health and wellness programs and services for students in all school districts.**
- **Young people aged 12 to 24 who are struggling with substance use disorder and their families will benefit from 123 new beds for**

youth substance-use treatment and withdrawal-management, helping fill a long-standing gap in treatment services.

- **Building on the historic Budget 2021 investments in youth substance use services, Budget 2023 provides $236.42 million over three years to increase services for young people, including crisis supports, culturally safe wraparound services, enhanced transition services and improved emergency room hospital-based care and discharge planning, along with $74.9 million for Foundry expansion and enhanced services.**

KEY FACTS

Background/Status:

- At any given time, an estimated 12.7% (nearly 95,000) children and youth in BC between the ages of 4 to 18 experience mental health issues that warrant intervention and only 44.2% of these youth receive services.
- Between 2012/13 and 2021/22, inpatient hospitalizations for children and youth ages 0-19 with MHSU concerns as the most responsible diagnosis increased by 53% across BC.
- In 2020, 66.6% of youth (ages 12-17) in BC self-rated their mental health as very good or excellent, which is a decrease from 74% in 2019 and 79.3% in 2016.
- An estimated 26.5% of children (ages 4-18) with mental health disorders have two or more disorders concurrently.
- Indigenous children and youth are at higher risk for mental health and substance use challenges due to systemic inequities and the historical and ongoing impacts of colonialism.
- In 2021/22 Ministry of Children and Family Development (MCFD) served almost 30,000 children and youth experiencing moderate to severe mental health challenges through Child and Youth Mental Health (CYMH) Services.
- The emphasis on prevention and early intervention with investments in services for children, youth, and young adults is critical because we know that approximately 75% of mental health challenges have their onset during childhood or adolescence. Intervening early can prevent problems from becoming more severe or developing into lifelong conditions. We are taking a whole of government, cross-sector approach and working collaboratively to implement a coordinated system of mental health and substance use services for children and youth, and young adults.
- The Ministry is partnering with Indigenous governments and organizations as well as the Ministries of Children and Family Development, Health, Education and Child Care, and Post-Secondary Education and Future Skills, local and federal governments,

education, justice, employment, and housing sectors, advocates, community organizations, and people with lived experience to advance this work.

Priority Actions

- Through *A Pathway to Hope,* and key investments in Budget 2021, we are implementing the following priority actions for children, youth, young adults, and families:
    - Begun implementation of Integrated Child and Youth Teams in 5 initial Pathway to Hope (PTH) communities (Maple Ridge-Pitt Meadows, Richmond, Comox Valley, Coast Mountains and Okanagan-Similkameen) and expanded to 7 new communities, with plans for a total of 20 communities with ICY teams province-wide by 2025/26.
    - Expanded early childhood services in 5 initial PTH communities.
    - Begun implementation of Step up/Step down high-intensity outreach services in 5 initial PTH communities (MCFD).
    - Expanded Foundry centres, with 15 now open and plans for a total of 23 open province-wide by 2025/26.
    - Launched the Foundry BC App and expanded access to Foundry Virtual services.
    - Launched Mental Health in Schools Strategy (MHiS), embedding positive mental health and wellness programs and services for students in all school districts (ECC).
    - Enhanced support for pregnant and parenting individuals with substance use challenges.
    - Implemented the Feelings First Project, promoting early childhood social emotional development.
    - Expansion of Confident Parents: Thriving Kids which supports parents with children aged 3-12 experiencing behavioural or anxiety challenges.
    - Implemented and expanded Everyday Anxiety Strategies for Educators, providing training and resources for educators of K-12 students.
    - Launched Here2Talk, a 24/7 mental-health counselling and referral service for post-secondary students (PSFS).
    - Refreshed Wellbeing Site (www.wellbeing.gov.bc.ca) with resources for children, youth, young adults and families, and which now includes additional features.
- In addition, work is underway on the following commitments:
    - Enhancing and expanding Early Psychosis Intervention services through an increase in geographic reach and health authority capacity to offer virtual supports. In addition to hiring 100+ FTEs to improve client to clinician ratio, and improve the response to demand.
    - Adding 123 new youth substance use beds across the province and investing in youth substance use services in each health authority (regional Health Authorities, PHSA); 43 of the 123 beds are prioritized for Indigenous youth.
    - Supporting MCFD's implementation of new Step Up/Step Down specialized bed-based services.

    - Supporting the development of urgent care guidelines and other initiatives for young people who present to emergency departments in B.C. with a substance use emergency.
    - Implementing 19 concurrent disorder clinicians province-wide to support transition-age youth, with a focus on youth transitioning from care to adulthood (regional Health Authorities).
- Budget 2023 invests new funding for increased youth mental health and substance use services across the province, including:
    - Crisis supports;
    - Culturally safe wrap around services;
    - Enhanced transition services;
    - Improved emergency room hospital-based care and discharge planning for treatment and recovery services; and,
    - Foundry expansion and enhanced services.

FINANCIAL IMPLICATIONS

Budget/Expenditures:

- Budget 2023 provides $236.42 million over three years to increase services for young people, including crisis supports, culturally safe wraparound services, enhanced transition services and improved emergency room hospital-based care and discharge planning. This funding includes $74.90 million for Foundry expansion and enhanced services.
- Budget and Fiscal Plan 2023 continues previous investments to improve Wellness for Children, Youth, and Young Adults.
- Highlights include:
    - Early Psychosis Intervention - $75.00 million
    - Foundry - $78.27 million
    - Integrated Child and Youth Teams - $54.50 million
    - Mental Health in Schools - $15 million
    - Early Childhood Services - $6.00 million
    - Step up/Step down - $22.40 million

Approvals:
April 4, 2023 – Francesca Wheler, ADM, Child & Youth Mental Health Policy
April 4, 2023 – Tracee Schmidt, EFO, Corporate Services
April 5, 2023 – Christine Massey, Deputy Minister

ESTIMATES NOTE

TOPIC Investments in Treatment and Recovery

Issue: Investments supporting improved access to adult and youth treatment and recovery services.

Key Messaging and Recommended Response:

- **Treatment and recovery is not a one-size-fits-all solution. We know that recovery is possible and ensuring people have access to the right treatment services when they need them is critical.**
- **Since 2017, our government has added over 360 new publicly funded adult and youth substance use beds (as of January 2023).**
- **Budget 2021 made a historical investment to support the development of a full spectrum of substance use treatment and recovery services including withdrawal management, intensive treatment, and longer-term aftercare supports.**
- **This included the implementation of 65 new and/or enhanced initiatives resulting in approximately 195 net new adult beds.**
- **Continuing this commitment to build an integrated system of care in BC, Budget 2023 includes $1 billion for mental health, addictions and treatment services for people struggling with substance use disorder.**
- **This includes $586 million to expand treatment and recovery beds, the development of new recovery community centres to support the long-term recovery of those who have gone through treatment, Indigenous treatment centres, and wraparound services for youth.**
- **Government will also develop and roll out a new model of seamless care – the Road to Recovery - to support people through their entire recovery journey from detox to treatment to aftercare.**

KEY FACTS

- The Province is investing in treatment and recovery services across four types of services corresponding to each of the phases of the recovery journey:
  - Withdrawal Management: Enhancing and expanding access to bed-based withdrawal management services, sobering and assessment services and outpatient models.
  - Transition and Assessment Services: Expanding access to transition beds and stabilization services.
  - Treatment and Recovery: New investments include bed-based treatment and recovery

programs as well as initiatives targeting alcohol and stimulant use disorders.
    - Aftercare: Increasing availability of follow up services, post treatment and community-based recovery focused supports as well as peer supports and peer-led initiatives.
- Funding is distributed to Health Authorities who are responsible for the implementation and delivery of substance use services.
- These investments are responsive to requests from families, communities, service providers and health system partners to strengthen the substance use system of care and are comprised of bed-based and non-bed-based services such as outpatient withdrawal management, day treatment programs, virtual addictions services and many more.
- Significant progress has been made in the last year alone:
    - As of January 2023, 106 new adult beds have been implemented and 117 healthcare workers have been hired across the province.
    - Thirty-four youth substance use beds have been implemented as of January 2023, with work underway with partners to implement the remaining beds.
- Budget 2023 builds on this work and will establish a much-needed provincial continuum of treatment and recovery services that allow people, including youth, to access services when they need them, quickly, and without financial burden. Investments include:
    - Community-based treatment and recovery services, including those specific to youth, services for marginalized adults, and supports for First Nations communities and Indigenous peoples living in urban settings.
    - A seamless continuum of care for people with moderate to severe substance use (Road to Recovery).
- The Province will also commence planning with PHSA to expand services for people with concurrent disorders (Red Fish Healing Centre model of care).

FINANCIAL IMPLICATIONS

Budget / Expenditures:

- Budget 2023 invests $586.42 million over the fiscal plan across the spectrum of services and supports for people struggling with substance use disorder. This builds on previous ongoing investments of $149.50 million bringing the total investment in treatment and recovery services to $735.92 million over the fiscal plan.

Approvals:

February 27, 2023 - Darryl Sturtevant, ADM, Substance Use Policy
March 13, 2023 – Kimberley Gardner, A/EFO, Corporate Services
March 15, 2023 – Christine Massey, Deputy Minister

ESTIMATES NOTE

TOPIC Substance Use Treatment Beds

Issue: The availability of community-based substance use treatment beds.

Key Messaging and Recommended Response:

- **Treatment and recovery is not a one-size-fits-all solution. We know that recovery is possible and ensuring people have access to the right treatment services when they need them is critical.**
- **BC is implementing a provincial approach to treatment and recovery services that will allow more people to access the care they need quicker and closer to home.**
- **As of January 2023, there are 3,260 publicly funded substance use beds.**
- **Since 2017, our government has added over 360 new adult and youth substance use beds (as of January 2023). We have made progress in the last year alone, including 106 new adult beds.**
- **Budget 2023 invests $586 million across the spectrum of services and supports for people struggling with substance use disorder with a focus on expansion of treatment and recovery beds, including 195 new treatment beds and a new model of seamless care.**

KEY FACTS

Background/Status

- Substance use services in British Columbia are delivered as part of a broad continuum of care that includes case management services, outreach programs, community counselling, day treatment, home, and community-based withdrawal management (detox), harm reduction services and supports, crisis intervention services, medication assisted treatment and prescribed safer supply as well as bed-based services.
- Bed-based services represent a small portion of substance use services and are generally appropriate for people who require a higher intensity of services to address complex or acute mental health and/or substance use problems and/or those who are experiencing significant barriers to care (including homelessness or housing insecurity).

Bed Counts

- As of January 2023, there are 3,260 publicly funded adult and youth community substance use beds. This includes:
    - 3,155 health authority funded beds (2,996 for adults and 159 for youth) health authority funded beds

    - 105 adult Canadian Mental Health Association of BC (CMHA BC) grant funded beds
- There are an additional 135 health authority funded tertiary substance use/concurrent services beds for adults and 10 for youth.

New Community-based Treatment and Recovery Beds

- The Province has implemented over 360 new adult and youth substance use treatment and recovery beds since 2017.
- In Budget 2023, the Province has committed to doubling the beds funded through the Canadian Mental Health Association of B.C. beds initiative which launched in 2021. An additional 100 new publicly funded beds will start to open in 2023/24.
- Budget 2023 also includes funding for a new model of seamless, addictions care at St. Paul's Hospital. The Road to Recovery Initiative is a partnership between Providence Health Care and Vancouver Coastal Health. This new, made-in-B.C. model will include 95 new substance use beds for people with moderate to severe substance use disorder - 45 withdrawal management, stabilization and short stay beds will be implemented in 2023/24 with an additional 50 treatment and recovery beds to come online in 2024/25.
- Further, over the next year the province will be working with health authorities to develop plans to expand innovative models like the Road to Recovery and services for British Columbians with severe and complex substance use disorders and concurrent mental illness such as the Red Fish Healing Centre for Mental Health and Addiction.

FINANCIAL IMPLICATIONS

Budget/ Expenditures:

- Budget 2023 invests $586 million across the spectrum of services and supports for people struggling with substance use disorder, included in this investment is funding for the expansion of treatment and recovery beds.

Approvals:

February 27, 2023 – Darryl Sturtevant, ADM, Substance Use Policy
March 13, 2023 – Kimberley Gardner, A/EFO, Corporate Services
March 15, 2023 – Christine Massey, Deputy Minister

ESTIMATES NOTE

TOPIC Oversight of Substance Use Beds

Issue: Enhancing oversight of recovery homes

Key Messaging and Recommended Response:

- **For too long, supportive recovery services were neglected in BC – resulting in many system gaps and a lack of regulation and oversight.**
- **People living with addiction and their families need to know that recovery homes are safe and that they will receive the respectful, high quality and evidence-informed support they need and deserve.**
- **Since 2018, the government has been working to strengthen regulations and standards for treatment and recovery services, while adding capacity with historic investments.**
- Government Financial Information
- **Over the next year, we will make registered supportive recovery residences safer by hiring a new team of dedicated investigators who will be on the ground in our communities, protecting vulnerable people and holding service operators accountable.**
- **We will also be undertaking engagement to inform options for a new legislative framework that reflects the needs of bed-based substance use services.**

KEY FACTS

Background/Status:

- Supportive recovery residences are bed-based substance use services that provide a safe, communal environment where individuals have the opportunity and support to focus on their recovery journey.
- Residences offer people with substance use challenges services like psychosocial support, relapse prevention, peer counselling, medication management, meal services and social opportunities.
- The *Community Care and Assisted Living Act* (CCALA) provides the legislative framework for these services and requires most supportive recovery residences and community substance use treatment facilities to be licensed or registered:
    - The Ministry of Health (HLTH), Assisted Living Registrar (ALR) is responsible for the oversight of **registered** residences.
    - Health authorities are responsible for the oversight of **licensed** facilities.

- Historically there were fewer regulatory requirements applied to registered residences than licensed facilities, and these services have received attention from the media and other stakeholders regarding concerns of a lack of sector oversight and accountability.

Actions to Strengthen the Sector to date:

- *Regulations:* Amendments to the CCALA and the new Assisted Living Regulation came into force on December 1, 2019, improving regulatory oversight for all registered supportive recovery residences and giving the Province new tools to respond more promptly to health and safety complaints.
- *Provincial Standards:* Provincial Standards for Registered Assisted Living Supportive Recovery Services (Standards) were introduced in September 2021. The Standards build off the Regulation by expanding minimum health and safety requirements and setting expectations of services in areas including evidence-based care. Heath authorities have been directed to incorporate compliance with the Standards into contracts.
- *Operator Supports:* Development of an operator handbook, updated ALR website, creation of a Training Bursary Fund administered by Community Action Initiative (CAI) and training seminars for operators and health authorities to support the new regulatory changes as well as the introduction of the Standards.

Budget 2023 Investment – Modernizing Oversight of the Sector:

- Despite the positive changes introduced, long-standing sector challenges persist. Budget 2023 enhancements of oversight of supportive recovery residences include:
  - Establishing a new, dedicated supportive recovery team in HLTH's Assisted Living Registry to undertake registration and inspection activities.
  - Implementing a sector-specific oversight policy that includes minimum site visits, case load maximums and other enhancements to protect the health, safety, and wellbeing of people residing in supportive recovery residences.
  - Undertaking engagement to inform the development of new substance use specific legislation to ensure lasting solutions to current legislative barriers to quality care (Phase 2).
- This will be a complex, multi-year project that requires significant collaboration and engagement with many stakeholders.

FINANCIAL IMPLICATIONS

- The total Budget 2023 investment in Oversight of Substance Use Beds is Government Financial Information

Government Financial

Ministry	23/24	24/25	25/26	Total
MMHA	$0.125	Government Financial Information		
HLTH	$1.344			
Totals	**$1.469**			

ESTIMATES NOTE

Approvals:
February 23, 2023 – Darryl Sturtevant, ADM, Substance Use Policy
March 1, 2023 – Tracee Schmidt, EFO, Corporate Services
March 15, 2023 – Christine Massey, Deputy Minister

ESTIMATES NOTE

TOPIC: Decriminalization

Issue: Decriminalization is one tool to reduce stigma and encourage access to life-saving health and social services.

Key Messaging and Recommended Response:

- **Addictions is a health matter – not a criminal justice one.**
- **Criminalization can drive people to hide their drug use and use alone. Given the toxicity of the drug supply, using alone can be fatal.**
- **On January 31, 2023, decriminalization came into effect in BC. This means that adults (18 years and older) are not subject to criminal penalties for possessing small amounts of certain illegal drugs for personal use.**
- **Decriminalization will help break down the barriers that prevent people from getting support and create new pathways to life-saving services.**
- **Decriminalization is not legalization. Drug trafficking and other activities involving any illegal substances in any amounts remain illegal.**
- **By reducing stigma around drug use, decriminalization complements BC's broader work to build an integrated and comprehensive system of mental health and substance use care for people throughout the province.**
- **We know that there is no one solution to ending the toxic drug crisis. We need to use all the options available to us, and that includes decriminalization.**

KEY FACTS

- There are approximately 30 other countries that apply some form of drug decriminalization.
- Several national and BC-based public health experts, advocacy organizations and professional associations (including the BC and Canadian Associations of Chiefs of Police) have voiced support for the decriminalization of personal possession.

Actions to Date

- The Province successfully met all its obligations under the Letter of Requirements that was issued by Health Canada along with the exemption. This included meeting obligations related to health system readiness, stakeholder engagement, law enforcement readiness, monitoring and evaluation, and communications.
- Pre-implementation work focused on law enforcement training, resource card development and distribution, hiring of Health Authority Substance Use Navigators, First Nations and Métis town halls, general and targeted communications activities, and development of a monitoring and evaluation framework.
- The cross-sectoral Core Planning Table that helped the Ministry develop BC's s.56 submission continues to meet to inform post-implementation decision-making.

Decriminalization

- Under B.C.'s decriminalization framework, adults aged 18 and older are no longer subject to criminal penalties for possessing up to 2.5g cumulative of opioids, cocaine, methamphetamine, and MDMA.
- Police are not allowed to seize exempted drugs at or below this threshold, when the person is abiding by the terms of the exemption.
- Possession for the purposes of trafficking remains illegal, even below the threshold.
- In place of criminal penalties, police are now providing individuals found in possession of illicit substances at or below the threshold with a resource card, which includes contact information for local health and social services.
- When requested by an individual, a police officer may assist with a referral to these services (e.g. facilitating a referral through a phone call, or navigating the https://wellbeing.gov.bc.ca/ website).
- This exemption does not apply on the premises of K-12 schools and licensed childcare facilities, at certified airports, on Canadian Coast Guard vessels and helicopters, in a motor vehicle or watercraft operated by a minor, or when illegal substances are within reach of the operator of a motor vehicle or watercraft.
- The exemption also does not apply to youth aged 17 or younger or to Canadian Armed Forces members subject to the *Code of Service Discipline*.

FINANCIAL IMPLICATIONS

Budget/ Expenditures:

- Budget 2023 commits $18.92M over three years for activities related to decriminalization. This funding is for MMHA, PSSG and the Ministry of Health, with MMHA receiving $1.95M over three years.
- Funding is allocated to: MMHA and PSSG staffing, stakeholder engagement, decriminalization Project Managers, resource cards; law enforcement training, communications activities, and monitoring and evaluation.

Approvals

February 27, 2023– Darryl Sturtevant, ADM, Substance Use Policy
March 1, 2023 – Tracee Schmidt, EFO, Corporate Services
March 15, 2023 – Christine Massey, Deputy Minister

ESTIMATES NOTE

TOPIC Complex Care Housing

Issue: Services and supports for people with complex mental health and substance use needs who are not adequately served by supportive housing in BC.

Key Messaging and Recommended Response:

- **Every person in British Columbia deserves a home – somewhere they can feel safe and live with dignity.**
- **Many people living with serious mental health and addictions challenges have been left behind and neglected.**
- **Their complex needs often led to a cycle of evictions, shelters, and even emergency rooms and jail cells.**
- **Complex care housing is a first-of-its-kind approach that connects people with the supports they need right in their homes to help establish stability, connection and break the cycle of homelessness.**
- **Complex care housing is just one action government is taking to build a comprehensive system of mental health and addictions care that people need.**
- **Budget 2022 invested $164million over three years to deliver Phase 1 of complex care housing.**
- **Budget 2023 builds on this initial investment, providing an additional $75.11 million over three years to increase services in Phase 1.**
- **Together, these investments will bring complex care housing to more than 600 individuals living across BC.**
- **However, we know more is needed.**
- **As part of Budget 2023, government is investing additional funding to support Phase 2 of complex care housing:**
  - **$21.63M over three years in operating funding through Ministry of Health**
  - **$168.84M over three years in capital funding through Ministry of Housing**
- **This investment represents the first three years of a ten-year plan to build 240 new, purpose built complex care housing units in BC.**

ESTIMATES NOTE

KEY FACTS

Background /Status:

- In November 2020, the Minister of Mental Health and Addictions was mandated to lead the development of complex care housing (CCH) to provide an increased level of support for BC's most vulnerable individuals, who have complex mental health and substance use challenges and who are unstably housed or homeless.
- CCH is a part of the provincial Homelessness Strategy led by the Ministry of Housing.
- CCH provides enhanced health, mental health and substance use, and social services in housing settings. Services vary across projects, but may include team-based primary care, clinical counselling, psychiatry and mental health treatment, overdose prevention, case management, addictions medicine, Indigenous cultural supports, occupational therapy, and medication management support.
- CCH will use a mix of service delivery models:
    - Services co-located in a supportive housing site or smaller setting
    - In-reach to multiple supportive housing sites or market rentals
    - Transitional or respite spaces for temporary periods of heightened need
- MMHA is working with implementation leads (the five regional health authorities, Provincial Health Services Authority [PHSA], the Aboriginal Housing Management Association [AHMA], and Ktunaxa First Nation) to implement CCH.

Budget 2022/Phase 1

- The first phase of CCH, funded through Budget 2022, includes 33 projects that will serve more than 600 people in 23 communities across BC.
- As of February 1, 2023, eight projects are operational, with additional projects anticipated to launch in 2023.
- Projects will scale up as staff are hired and trained. Similar to other health services, staff recruitment for clinical positions is challenging.
- In addition to the service-based projects, Budget 2022 investments support training and capacity-building projects led by PHSA and AHMA.
- MMHA is developing a multi-year evaluation that will assess impacts, outcomes, and experiences for CCH clients, as well as the partnerships and system changes required to support this innovative program.

Budget 2023/Phase 2

- As part of a broader Housing Strategy led by the Ministry of Housing, government is funding a second phase of CCH.
- Phase 2 invests new operating and capital funding over 10 years to create 240 new, purpose-built CCH units across the province.
- Health, social and cultural supports will be co-located at these sites to provide enhanced services and help people thrive in housing.
- MMHA will work with the Ministry of Housing, BC Housing, health authorities, municipalities, and Indigenous partners to plan and develop these new sites.

ESTIMATES NOTE

FINANCIAL IMPLICATIONS

Budget / Expenditures:

Phase 1

- Budget 2022 invested $164 million over three years into Phase 1 of CCH.
- Budget 2023 invests an additional $75.11 million over three years into Phase 1.
- The total Phase 1 investment is $238.25 million over three years.

Phase 2

- Budget 2023 invests in Phase 2 through:
    - $21.63 million in Health Services funding through Ministry of Health.
    - $168.84 million in Capital through Ministry of Housing.

Budget 2023

- The total **new** Budget 2023 investment in CCH is $96.73 million over three years (operating) and $168.84 million (capital) over three years.

Approvals:

2023-03-02 – Francesca Wheler, ADM, Child & Youth Mental Health Policy
2023-03-01 – Tracee Schmidt, EFO, Corporate Services
2023-03-15 – Christine Massey, Deputy Minister

ESTIMATES NOTE

TOPIC Safer Communities Action Plan

Issue: An overview of the Safer Communities Action Plan focusing on items led by or closely involving MMHA

Key Messaging and Recommended Response:

- **Everyone deserves to feel safe in their community.**
- **The Safer Communities Action Plan invests in stronger enforcement to address repeat violent offending and strengthens services to build safe, healthy communities for everyone.**
- **We are expanding mental health crisis response teams into more communities so people in crisis can get supports from health care workers and community members.**
- **We are also investing to help people living with brain injuries, including those resulting from toxic drug poisoning.**
- **The majority of people experiencing mental health and addictions challenges pose no risk to others' safety.**
- **However, for the small number of people who are at risk of harm to themselves or others due to their illness, access to the right support at the right time can be transformative – for themselves and their families and communities.**
- **These expanded services reinforce our work to support our province's most marginalized people, ensure police resources are being used where needed most, and continue building a comprehensive system of mental health and addictions care.**

KEY FACTS

Background/Status:

- The Safer Communities Action Plan (the Plan), announced by Premier Eby in November 2022, committed to immediate measures to promote safety for all British Columbians.
- The Plan is focused on strengthening enforcement for individuals with repeat criminal justice encounters and strengthening services for individuals with mental health and substance use (MHSU) challenges.
- Key initiatives led by or closely involving MMHA include:
    - Peer Assisted Care Teams (PACT): $9.9 million to CMHA-BC for a total of 10 PACTs. These are BC's first civilian-led (non-police) teams that provide a mobile community-led response to crisis calls related to mental health and/or substance use. The program pairs a mental health professional and a peer worker to provide trauma-informed support to youth aged 13+ and adults.

  - Indigenous-led Crisis Teams: $0.2 million to begin development of Indigenous-specific civilian-led crisis response teams.
  - Integrated Mobile Crisis Response Teams, or Car programs: $3 million for police and health authority partnerships. These are teams that partner police officers and mental health clinicians to respond to 911 calls involving a mental health crisis.
  - The Seamless Continuum of Care (Initiative: Through Budget 2023 the Province is investing $157.5 million in a new model of treatment, offering seamless care from withdrawal management (detox) to treatment. The initial site will be at St. Paul's Hospital through a partnership between Providence Health Care and Vancouver Coastal Health. Going forward, the Province will be working with health authorities to develop regional models to expand this approach across the B.C.
  - Brain Injury Alliance: $4.5 million was provided in 2022/23 to expand services to people living with brain injury.
  - Health IM: A related initiative led by PSSG, this is a digital public safety system designed to improve emergency police response in mental-health and substance-use situations.
- Strategic drivers behind the MHSU initiatives in the plan include key recommendations from 3 recent reports (the Special Committee on Reforming the Police Act, the Rapid Investigation into Repeat Offender and Random Stranger Violence in BC, and the Select Standing Committee on Health) to fund a continuum of MHSU care from crisis response, to stabilization, to ongoing treatment and support.

The Safer Communities Action Plan is also guided by MMHA and PSSG mandate commitments.

FINANCIAL IMPLICATIONS

Budget/Expenditures (in millions):

- Building on investments in 2022/23 of $14.44 million, Budget 2023 is investing an additional $160.72 million over three years towards the Safer Communities Action Plan in MMHA and HLTH-led initiatives.

Initiative & Ministry	2022/23	2023/24	2024/25	2025/26	3-year Total
PACT (MMHA)	9.944	0.200			**0.200**
Integrated Mobile Response (Car) (MMHA)		3.000			**3.000**
Seamless Continuum of Care (HLTH)		14.107	Government Financial Information		**157.523**
Brain Injury Alliance (MMHA)	4.500				
Total	**14.444**	**17.307**			**160.723**

Approvals:
2023-03-02 – Francesca Wheler, ADM, Child & Youth and Mental Health Policy
2023-02-25 – Brad Williams, CFO, Corporate Services
2023-03-03 – Tracee Schmidt, EFO, Corporate Services
2023-03-15 – Christine Massey, Deputy Minister

ESTIMATES NOTE

TOPIC Indigenous Peoples – Toxic Drug Crisis and FNHA Response

Issue: Indigenous peoples are disproportionately impacted by the toxic drug crisis. Meaningful partnerships are required to ensure the response meets the needs of Indigenous peoples.

Key Messaging and Recommended Response:

- **First Nations people continue to be disproportionately represented in toxic drug deaths.**
- **We know that from January 2021 through to June 2022, First Nations people died at a rate 5.3 times higher than other non-Indigenous populations in BC; meanwhile, First Nations women died at a rate 8.8 times higher than other female residents in BC.**
- **These higher rates of death are unacceptable, and our government continues to work with the First Nations Health Authority to address the disproportionate rates of illicit drug toxicity events and deaths among First Nations populations.**
- **Budget 2023 continues funding to support Indigenous-led approaches to prevention and harm reduction as well as culturally safe substance use care and treatment services.**
- **Budget 2023 invests $171.10 million over three years for Indigenous-led treatment, recovery and aftercare services and supports founded on the strengths of culture, language and identify to build resiliency and overcome unresolved trauma.**

KEY FACTS

- First Nations people are 5.3 times more likely to experience a drug toxicity death than non-First Nations people in B.C.
- From January to September 2022, 266 First Nations people died of toxic drug poisoning, an increase from 247 deaths in the same period in 2021.
- In September 2022, First Nations people represented 21% of all toxic drug poisoning events in the month.
- From January to June 2022, First Nations women were 8.8 times more likely to die from toxic illicit drug poisoning than non-First Nations women.
- The widening gap between First Nations people and other BC residents can be attributed, in part, to:
    - insufficient access to culturally safe mental health and addiction treatment
    - systemic racism in health care
    - intergenerational trauma

ESTIMATES NOTE

- Surveillance data is limited to status First Nations people only.
- Anecdotal evidence indicates that toxic drug events and deaths also disproportionately affect Métis, Inuit, and non-status First Nations people throughout B.C.

Actions to Address Impact on the First Nations Population

- In 2017, the First Nations Health Authority (FNHA) released *A Framework for Action: Responding to the Toxic Drug Crisis for First Nations* which includes the following four goals:
    1. Prevent people who experience drug poisoning from dying
    2. Keep people safer when using
    3. Create an accessible range of treatment options
    4. Support people on their healing journey
- In keeping with *In Plain Sight: Addressing Indigenous-specific Racism and Discrimination in B.C. Health Care*, the Ministry of Mental Health and Addictions (MMHA) is working to support cross government and health authority action on recommendation 17 to increase access to culturally safe mental health and wellness and substance use services, including harm reduction.
- FNHA is an active member of the MMHA Joint Steering Committee on BC's Overdose Response and is embedded in the planning and decision-making tables of the Overdose Emergency Response Centre.
- FNHA is implementing Nurse Prescribing for medication assisted treatment to increase access to evidence based treatment for opioid use disorder.
- In 2022-2023, MMHA provided $4.54 million in flexible funding to FNHA to support initiatives to respond to the toxic drug crisis, including:
    - A harm reduction hub, a centralized service for community workers, with easy access to harm reduction services and supplies.
    - Distribution of 8011 nasal naloxone kits to approximately 100 First Nations communities between January and December, 2022.
    - Provision of substance use, community connection, and naloxone training (Not Just Naloxone) to 559 individuals.
    - Continued work with First Nations and health authorities to implement new Overdose Prevention Site services in two First Nations communities, and to maintain two existing overdose prevention sites.
    - Supported individuals, families and communities to honour their loved ones lost, remember their stories, encourage conversations, and reduce stigma.
- Regional health authorities are also working to add a minimum of 43 youth substance use treatments and withdrawal management beds that will provide priority access for Indigenous youth province-wide, including working with local First Nations on the approach to prioritization.

FNHA Community Situation Reports

- FNHA regularly publishes Community Situation Reports summarizing drug toxicity data and key actions that FNHA has taken in response.
- Below is a summary of key actions taken by FNHA included in the September 2022 situation report:

- 2,506 First Nations people were dispensed Opioid Agonist Treatment (OAT) in September 2022.
    - 375 nasal naloxone kits were distributed to First Nations and community organizations, 288 doses of nasal naloxone sprays were distributed to FNHA clients through community pharmacies and 1,675 injectable naloxone kits were ordered for First Nations sites or Friendship Centres.
    - Efforts are underway to increasing access to OAT:
        - Nurse prescribing is underway at four sites, with 25 nurses enrolled in or have completed prescribing training.
        - FNHA is supporting 18 rural and remote First Nations communities to improve access to OAT for their members.
    - Eight First Nations treatment and healing centres operate across BC and two new facilities are being planned – one in the Vancouver Coastal region and the other in the Fraser Salish region.
    - 147 sites across BC provide Indigenous land-based healing services grounded in cultural teachings.

Role of Métis Nation BC and BC Association of Aboriginal Friendship Centres

- MMHA is working with Métis Nation BC (MNBC) to support Métis-specific harm reduction and anti-stigma campaigns, and community-led initiatives, including supports and prevention for opioid/fentanyl use.
- MMHA also works with the BC Association of Aboriginal Friendship Centres (BCAAFC) for capacity building and community engagement.

FINANCIAL IMPLICATIONS

Budget / Expenditures:

- Budget 2023 invests new funding of $171.10 million over three years for Indigenous-led treatment, recovery and aftercare services and supports founded on the strengths of culture, language and identify to build resiliency and overcome unresolved trauma.
- Budget and Fiscal Plan 2023 continues previous investments of $37.62 million over three years to support Indigenous-led approaches to prevention and harm reduction as well as culturally safe substance use care and treatment services, which includes $24 million to support the FNHA with the drug-poisoning emergency response.
- $20 million of capital funding from the Government of B.C. matched by $20 million from each of the federal government and the FNHA for a total $60 million commitment, to support the renovation and replacement of 8 First Nation-run treatment centres throughout B.C.
- The Province, the Government of Canada and the FNHA committed $10 million each, for a total of $30 million, to support the implementation of the MOU.
- Through the federal mental health and addictions services agreement, the Province is allocating $36.66 million over the fiscal plan to support Land Based Cultural Treatment and Healing Services, First Nations liaisons in health authorities, and partnerships to support Métis and urban indigenous mental health and wellness. Federal funding confirmation is subject to agreement renew for the final 5 years of the 10 year agreement, currently in negotiations.

ESTIMATES NOTE

Approvals:
February 24, 2023 – Francesca Wheler, Assistant Deputy Minister, CYMHP
March 3, 2023 – Tracee Schmidt, EFO, Corporate Services Division
March 20, 2023 – Christine Massey, Deputy Minister

ESTIMATES NOTE

TOPIC New Community Response

Issue: Community-driven responses to the drug toxicity crisis are supported through the Community Crisis Innovation Fund.

Key Messaging and Recommended Response:

- **Through the Community Crisis Innovation Fund, we continue to support community-driven actions that draw on the expertise of local community leaders and people with lived experience.**
- **The fund has been used to support priority projects including:**
  - **the development of a Provincial Peer Network;**
  - **peer coordinators/work with peers in the health authorities;**
  - **work to engage local governments to support the response to the toxic drug crisis;**
  - **innovative initiatives that support emerging opportunities.**
- **The fund also supports Community Action Teams that have been established in 36 priority communities as part of the escalated response to the drug toxicity emergency.**
- **Community Action Teams lead and coordinate multi-sectoral, on-the-ground planning and strategies to address the toxic drug crisis.**
- **The goal is to build on community strengths and address local challenges to save lives, address stigma, and enhance community capacity to support people who use substances.**

KEY FACTS

Background/Status:

- The Community Crisis Innovation Fund (CCIF) is a $6 million annual investment that supports innovative, community-based responses to the toxic drug crisis.
- The Overdose Emergency Response Centre (OERC) works with a range of community partners to collaboratively identify, prioritize and recommend programs and projects to receive CCIF funding.
- The Community Action Teams (CATs), Provincial Peer Network, Moms Stop the Harm, and Local Leadership United are examples of some of the priority projects funded through the CCIF.

<u>Community Action Teams</u>

- CATs are multi-stakeholder community groups including: municipal officials and staff, regional health authorities, First Nations and Indigenous partners, first responders (police, fire, ambulance), front-line community agencies, Divisions of

Family Practice, local provincial ministry offices providing social services, businesses, local government agencies, education providers, the local recovery community, and people and families with lived and living experience of substance use.

- CATS develop multi-sectoral responses and action-oriented strategies to address the toxic drug crisis tailored to local community needs.
- CATs are focused on four areas of action to save lives and support people who use substances:
    - Expanding community-based harm reduction services, including the availability of Naloxone, overdose prevention services, and drug checking.
    - Increasing connections to other harm reduction services and addiction treatment medications.
    - Proactively supporting people at risk of drug toxicity events by intervening early to provide service navigation, support, and advocacy.
    - Reducing stigma towards people who use substances, in all areas of community, as it impacts the care, inclusion, safety, and empowerment of people who use drugs.
- CATs have assisted BC communities in their response to the dual public health emergencies with innovative and flexible solutions, including distributing harm reduction supplies, providing flexible outreach services, and disseminating up to date public health information.

<u>Provincial Peer Network</u>

- The Provincial Peer Network is a provincial network of drug user-led organizations that serves to strengthen collaboration and information sharing between the organizations through regional and provincial capacity building and the development of a network structure.
- *See separate Estimates Note for further details specific to Provincial Peer Network.*

<u>Moms Stop the Harm: Stronger Together</u>

- Moms Stop the Harm is a network of Canadian families impacted by substance-use related harms and deaths.
- They are committed to reforming drug policies and providing peer support to grieving families and those with loved ones who use or have used substances.
- Among their programs, the Stronger Together initiative offers peer-led groups to support families to access resources and mutual support through two interconnected streams:
    - *Healing Hearts* - for people whose family members have died of substance use-related harms; and
    - *Holding Hope* - for people whose family members are using substances.

<u>Local Leadership United: Municipal Harm Reduction Education</u>

- The Local Leadership United – Municipal Harm Reduction Education project, jointly run by the Community Action Initiative and the BC Centre for Disease Control, was launched in April 2021 to develop and implement a new, province-wide harm reduction education and training program for regional district and municipal staff.

- This work is intended to improve the quality, quantity, and equitable delivery of harm reduction efforts in municipalities throughout the province by highlighting the powers available to municipal governments and working with directly-impacted communities to identify how best to operationalize government tools.
- The project team convenes municipal, health, and social partners within health regions to build capacity and partnerships to support harm reduction, and provides trainings to planners, bylaw officers, and other municipal partners to enhance knowledge and skills for harm reduction and engagement of people who use substances.

Actions to date:

- To date, CATs have been established in 36 communities across all five regional health authorities, an increase from 20 CATs in 2018, with more in development.
- Provincial Peer Network funding currently supports 25 peer-led organizations throughout the province, and information sharing and linkages continue to grow.
- CCIF funding supports the delivery of the *Stronger Together* programs through funding administration and capacity building costs and coordinators to engage, train, and support peer facilitators to lead families through grief, loss, and navigation of substance use systems of care.
- The Local Leadership United project has developed and offered harm reduction trainings and resources to communities and local governments throughout BC.

FINANCIAL IMPLICATIONS

Budget/Expenditures:

- *Budget 2023* supports the continued annual CCIF investment of $6 million.
- The CCIF has been fully committed for the past three fiscal years.
- In the 2022/23 fiscal year, funding for the key initiatives is allocated as follows:
    - CATs – $2.926 million
    - CAT Convening event - $0.018 million
    - Provincial Peer Network – $2.400 million
    - Local Leadership United – $0.371 million
    - Moms Stop the Harm - $0.285 million

Approvals:
February 21, 2023 – Darryl Sturtevant, ADM, Substance Use Policy
March 10, 2023 – Tracee Schmidt, EFO, Corporate Services
March 15, 2023 – Christine Massey, Deputy Minister

ESTIMATES NOTE

TOPIC: Responding to the Toxic Drug Crisis in BC

Issue: British Columbians continue to experience unprecedented rates of harm due to the toxic drug supply.

Key Messaging and Recommended Response:

- **The unpredictable and highly toxic illicit drug supply continues to put many British Columbians at risk.**
- **My ministry is accelerating B.C.'s response to the illicit toxic drug crisis by, separating more people from the toxic drug supply, breaking down the shame and stigma that prevents people from reaching out for help and expanding treatment and recovery throughout the province.**
- **Through our work with health authorities and community partners, the Province has invested in building up the full continuum of services including prevention, harm reduction, treatment and recovery services.**
- **This includes working with five Regional Response Teams – with membership from across the continuum of care – and standing up 36 Community Action Teams for on the ground response to the toxic drug crisis.**
- **From January 2015 to March 2022, 7,542 death events are estimated to have been avoided due to overdose prevention and harm reduction services.**
- **Budget and Fiscal Plan 2023 continues previous investments, allocating $445 million over the fiscal plan to provide a full spectrum of treatment and recovery services for individuals experiencing issues with substance use, including $60 million to support ongoing critical overdose prevention services.**
- **Budget and Fiscal Plan 2023 provides an additional $67.69 million over three years to expand prescribed safer supply and provide safe prescription alternatives, like diacetylmorphine, to save lives.**

ESTIMATES NOTE

KEY FACTS

- In 2022, there were 2,272 suspected illicit drug toxicity deaths. This is the second largest number of suspected deaths ever recorded in a calendar year, behind 2021 (2,306). [1]
- The illicit drug supply has become increasingly toxic since the onset of COVID-19. This is evidenced by an increase in deaths where extreme fentanyl concentrations, carfentanil and benzodiazepines are implicated.

Overdose Emergency Response Centre

- In December 2017, MMHA established the Overdose Emergency Response Centre (OERC) to coordinate the province's response to the drug toxicity emergency and implement a comprehensive package of essential services for overdose prevention in B.C.
- The OERC works in partnership to accelerate the response to the toxic drug crisis, and collaborates with the regional health authorities including five Regional Response Teams, First Nations Health Authority and other Indigenous-serving organizations and communities, Provincial Health Services Authority, people with lived and living experience, as well as 36 Community Action Teams established in priority at risk communities across the province.

Key Initiatives

- The government has made historic investments in a range of services and supports aimed at reducing harms and saving lives.
- **Naloxone** is a life-saving medication that can quickly reverse the effects of an opioid-related poisoning.
    - The BC Take Home Naloxone (THN) program provides people who use drugs and those most likely to witness illicit drug poisoning with no-charge naloxone kits and training.
    - As of January 2023, over 1.71 million naloxone kits have been shipped through this program.[2]
    - 151,795 THN kits have been reported as used to reverse a drug poisoning.[3]
    - THN kits are available at more than 2,119 locations, including 828 community pharmacies in B.C.[4]
- **Overdose Prevention Services (OPS) and Supervised Consumption Services (SCS)** provide a space to consume drugs under the supervision of someone trained to administer naloxone and provide other emergency first aid services.
    - As of January 2023, there are 44 OPS/SCS locations in BC.
    - Interior: 7 OPS and 1 SCS locations; Fraser: 11 OPS and 1 SCS; Vancouver Coastal: 10 OPS and 2 SCS; Island: 8 OPS; Northern: 4 OPS.
    - 16 of these OPS services support inhalation.
    - In the month of January 2023, there were 65,995 visits to OPS/SCS. [5]
- **Drug Checking** services provide life-saving information to people who use drugs about the composition of the substances they plan to consume.

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[1] BC Coroners Service (2023) Illicit Drug Toxicity Deaths in BC. https://www2.gov.bc.ca/assets/gov/birth-adoption-death-marriage-and-divorce/deaths/coroners-service/statistical/illicit-drug.pdf. Accessed February 20, 2023

[2] Take Home Naloxone in BC Infograph (February 2023). Retrieved on February 23, 2023. http://towardtheheart.com/thn-in-bc-infograph

[3] Take Home Naloxone in BC Infograph (February 2023). Retrieved on February 23, 2023. http://towardtheheart.com/thn-in-bc-infograph

[4] Take Home Naloxone in BC Infograph (February 2023). Retrieved on February 23, 2023, http://towardtheheart.com/thn-in-bc-infograph

[5] BCCDC Overdose Response Dashboard. Retrieved on February 20, 2023: http://www.bccdc.ca/health-professionals/data-reports/overdose-response-indicators#OAT

  - In June 2021, Health Canada issued a subsection 56(1) class exemption to the *Controlled Drugs and Substances Act* in relation to urgent public health need sites (UPHNS) in BC for the purposes of enabling distributed models of drug checking. In effect, this exemption allows for illicit drug samples to be transported between harm reduction or overdose prevention sites for the purpose of drug checking or analysis.
  - More than 90 distributed drug checking sites have opened around the province: 26 in Fraser Health, 30 in Interior Health, 23 in Island Health, 11 in Northern Health, and 2 in Vancouver Coastal Health.
  - Point-of-care drug checking, with immediate results from FTIR spectrometers, are accessible at over 36 locations: 9 in Fraser Health, 16 in Interior Health, 5 in Island Health, 2 in Northern Health, and 4 in Vancouver Coastal Health
- **BC Toxic Drug Health Alerts** are an important source to disseminate risk information on drug poisonings via text alerts and are now available in all health authorities.
  - The BC Centre of Disease Control (BCCDC) established a Toxic Drug Health Alerts service in 2022 currently available in Interior, Fraser, and Vancouver Island, and Northern Health Regions.
  - Vancouver Coastal Health Authority continues to use the RADAR alert system, established in 2017.
  - 2,710 people have subscribed to BCCDC's toxic drug alerts since May 2022. [6]
- **The Mobile Response Team** is an initiative administered by Provincial Health Service Authority to provide psychosocial support for frontline workers and peers impacted by the toxic drug crisis.
- **The Lifeguard App** automatically contacts emergency responders if an app user becomes unresponsive in the event of an overdose**.**
  - Since its launch in May 2020 and up to the end of December 2022, the app has been used 114,305 times by 16,100 app users. To date, no drug-poisoning deaths have been reported through the app. [7]
- **Prescribed Safer Supply** is an initiative to expand access to pharmaceutical alternatives to the illicit drug supply (*cross ref: Prescribed Safer Supply*).
  - The number of people dispensed opioid prescribed safer supply in the month of December 2022 was 4,535. Of these, 263 people were dispensed opioid prescribed safer supply for the first time.[8]
- **Nurse Prescribing** is an initiative to train registered nurses and registered psychiatric nurses to prescribe Opioid Agonist Treatment (*cross ref: Nurse Prescribing*)
  - As of February 2023, 233 RNs and RPNs from all health authorities have enrolled in training and 112 have fully completed their training. [9]

FINANCIAL IMPLICATIONS

- Budget and Fiscal Plan 2023 continues the previous investments, with $445 million over the fiscal plan to provide a full spectrum of treatment and recovery services for individuals experiencing issues with substance use. This funding includes $60 million to support harm

[6] Provincial TDHA Bi-weekly Dashboard (February 12, 2023). BC Centre for Disease Control, Provincial Health Services Authority
[7] Toxic Drug Crisis Response Data (February 2023). Overdose Emergency Response Centre, Ministry of Mental Health and Addictions
[8] Toxic Drug Crisis Response Data (February 2023). Overdose Emergency Response Centre, Ministry of Mental Health and Addictions
[9] Toxic Drug Crisis Response Data (February 2023). Overdose Emergency Response Centre, Ministry of Mental Health and Addictions

reduction services and supports and increased access to nursing care and interdisciplinary outreach teams.

- Budget 2023 invests $67.69 million over the fiscal plan to expand prescribed safer supply and provide prescription alternatives like diacetylmorphine.

Approvals:
April 5, 2023 – Darryl Sturtevant, Assistant Deputy Minister, Substance Use Policy
April 4, 2023 – Tracee Schmidt, EFO, Corporate Services Division
April 5, 2023 – Christine Massey, Deputy Minister

ESTIMATES NOTE

TOPIC Prescribed Safe Supply

Issue: Prescribed safe supply is a critical program for helping to separate people who use substances from using illicit toxic drugs and providing connections to health and social services.

Key Messaging and Recommended Response:

- **Our government is urgently working to address the ongoing toxic drug crisis and prevent future deaths due to drug poisoning.**
- **We know one of the most important ways to do this is by separating people from the illicit drug supply.**
- **That's why we introduced a prescribed safe supply policy – the first of its kind in Canada.**
- **Through this policy, our health authority partners are expanding access to this life-saving support for people at risk of drug toxicity events and deaths.**
- **We are doing this work while making sure patient safety is protected, and prescribers have the supports they need.**
- **Prescribed safe supply is a critical part of the broader continuum of care and the treatment of addiction as a health issue.**

KEY FACTS

Background/Status:

Phase One – Risk Mitigation in the Context of Dual Public Health Emergencies:

- The interim Risk Mitigation Guidance was released by the BC Centre on Substance Use (BCCSU), in partnership with the Province, in March 2020 and updated in January 2022.
- It provides guidance for prescribing substances, including opioids, stimulants, benzodiazepines, alcohol and nicotine, to support individuals who may be at increased risk of overdose, withdrawal, craving, and other harms related to their substance use, due to COVID-19 restrictions such as isolation.
- The BCCSU released the *Opioid Use Disorder Practice Update* (January 2022) and *Stimulant Use Disorder Practice Update* (June 2022). These practice updates allow for harm reduction prescribing to occur outside the context of COVID-19.

Phase Two – Prescribed Safe Supply (PSS):

- In July 2021, the Province released the *Access to Prescribed Safer Supply in British Columbia: Policy Direction*.
- The policy builds on the Risk Mitigation Guidance and is a broad public health-oriented, health system-level intervention to reduce illicit drug toxicity deaths; it is part of a

comprehensive package of health sector interventions to address the toxic illicit drug crisis.

- The PSS policy is currently being implemented in B.C. in a phased approach, starting in health authority settings.
- In addition to health authority PSS access sites, there are federally funded safer supply projects in B.C., that provide access to PSS consistent with the provincial policy.
- The number of people dispensed opioid prescribed safer supply in the month of December 2022 was 4,535. With 11,933 people dispensed opioid prescribed safer supply between March 2020 and December 2022.
- The number of clinicians prescribing opioid prescribed safer supply in the month of December 2022 was 731.
- BC Coroners Service reported that there is no indication that PSS is contributing to illicit drug deaths.
- Preliminary findings suggest opioid PSS prevents mortality.

Clinical Supports

- To support prescribers and increase access to PSS, clinical protocols and education sessions are being developed by the BCCSU based on emerging evidence and clinical expertise.
- The first prescribing protocol for fentanyl patches was released in October 2022.

Evaluation and Monitoring

- Because PSS is the first-of-its-kind policy in Canada, the Province is supporting robust evaluation and monitoring and building evidence to better understand patient outcomes.
- A provincial evaluation of the PSS policy is being led by external contracted researchers and will continue until March 2024.
- In addition to the external evaluation, the Province is partnering with BC Centre for Disease Control (BCCDC) to monitor PSS prescribing.
- The BCCDC will be publishing this data on their public facing website in early 2023

<u>Next Phase – Expansion of PSS</u>

- In the next phase of PSS, the Province is increasing access to PSS through Budget 2023 investments in additional models and settings.
- Work is also underway to include diacetylmorphine (medical grade heroin) as an additional medication option for prescribed safer supply to help separate individuals from the illicit toxic drug supply.

FINANCIAL IMPLICATIONS

Budget/Expenditures:

- Government is investing $26.6 million over the next three years to support health authorities in continuing the implementation of PSS.
- In addition, government has invested $67.69 million to continue to expand PSS, including access to additional pharmaceutical options.
- Funding will support expansion of existing and creation of new programs, increasing staffing capacity through hiring new positions, and robust monitoring and evaluation of this policy.

ESTIMATES NOTE

Approvals:
February 24, 2023 – Darryl Sturtevant, Assistant Deputy Minister, Substance Use Policy
March 1, 2023 – Tracee Schmidt, EFO, Corporate Services Division
March 15, 2023 – Christine Massey, Deputy Minister

BRITISH COLUMBIA | Ministry of Municipal Affairs

2023/24 Estimates Note

Honourable Anne Kang

March 2023

Lytton Response and Recovery

ISSUE

- A fire swept through the Village of Lytton and across Nlaka'pamux territory on June 30, 2021, prompting an immediate evacuation.
- Widespread damage to the Village resulted in near total loss of buildings and public assets, displacement of residents, and the death of two people.
- Recovery has been ongoing and, with supports provided by the province, by spring 2023 the Village of Lytton will be in a position to move forward with rebuilding.

RECOMMENDED RESPONSE

- **Together with the leadership of the Village of Lytton, the Province continues to support the people and Village in their recovery activities.**
- **The significant destruction of critical municipal infrastructure and community resources makes Lytton's recovery journey complex.**
- **The archaeological work to date has confirmed the rich Indigenous heritage underlying the Village site and this work continues to move forward in a thoughtful manner.**
- **While the Ministry of Emergency Management and Climate Readiness (EMCR) is the lead provincial agency for recovery and emergency management supports to the Village, Municipal Affairs continues to support needs relating to municipal infrastructure, finances, and governance.**
- **On these matters, Municipal Affairs also supported the Parliamentary Secretaries appointed to lead recovery and coordinated with other ministries and agencies as necessary (FOR/Archeology Branch, MOTI and CITZ).**
- **At this time, Lytton's recovery efforts have seen important progress and the Village will be in a position by spring 2023 to begin to move forward on rebuilding a resilient, sustainable community.**

- **To date the Province has demonstrated its commitment to Lytton with over $50 million towards the Village's recovery operations work. This includes:**
  - **$21 million to help re-establish essential infrastructure and services like water treatment and sewer infrastructure, municipal and fire services (EMCR).**
  - **$8.3 million to support ongoing village operations and staffing (MUNI).**
  - **$1 million to support community economic recovery through rural development program funding (JEDI).**
  - **$23.4 million to enable debris removal, archeological work and soil remediation for uninsured and underinsured properties in the Village (EMCR).**
- **By working closely with officials in Lytton, MUNI and EMCR are supporting the Village to fully implement its Short-Term Recovery Plan and consider longer term planning needs including a new building bylaw and an updated Official Community Plan.**

KEY CONSIDERATIONS

- The fire damaged an estimated 90 percent of the structures in the Village site (including 124 residences) and most of the commercial and public services, as well as the Village administrative office (and all of its physical and digital records).
- The ADM and MUNI staff (and other provincial agencies) are in direct contact with Lytton staff. Staff attend meetings with Village staff, and observe Council meetings and scheduled community Town Halls and other meetings hosted by the Parliamentary Secretary for Rural Development.
- MUNI provided a total of $8.36 million in two grants to Lytton. The Wildfire Response Funds grant provided $6.26 million for response and recovery costs. The Core Operations Funds grant provided $2.1 million to support the day to day operations and administration of the Village.
- Over the last year, the Village has worked to re-create and update their key bylaws, hired a permanent Chief Administrative Officer and Corporate Officer to support the Village council and conducted a successful general local election in October 2022 with over 50 percent voter turn-out.

- Debris removal is complete, and the Village recovery team is forecasting that site remediation will be completed early in 2023. In order to complete debris removal and site remediation for all uninsured properties, the Province contributed an additional $5 million in December 2022.
- The archaeological work has required the clean-up to move forward in a measured manner to meet the Province's commitment to protect archeological heritage under the *Heritage Conservation Act*, while assisting the Village to prepare for the next phase of rebuilding.
- Procedures agreed to by the Village are in place to minimize work stoppages or slowdowns related to archeological work and new measures are being implemented in 2023 in coordination with building permitting and the conclusion of the remediation process.
- The Village continues to work to have all key infrastructure (hydro, water, etc.) and municipal building application processes in place by Spring 2023 to support homeowners to begin reconstruction.
- The Village recovery team is forecasting that site remediation will be completed early in the new year by mid-February with a target to commence backfill of properties in May 2023.
- The Province will support the rebuild of municipal infrastructure through the Disaster Financial Assistance program and other longer-term funding programs. Insured property owners will have their rebuild funded through their insurance, and uninsured property owners will be supported through donations and corporate commitments.
- Within the $21 million funding provided in July 2022, an allocation was made for the cost of supplying interim housing for essential service personnel; the Village is still considering whether to advance a funding request to the Province for interim housing for property owners to facilitate the rebuild process and for renters currently displaced by the fire.
- In June 2022 the federal government announced funding of over $77 million to support the rebuild of infrastructure, homes and businesses ($64 million funding through Infrastructure Canada as well as $13 million through PacifiCan towards fire-resistant homes and small- and medium-sized businesses). The Province is collaborating with the federal government to help define the programming for these funding envelopes.

CONTACT: Tara Faganello, ADM, Local Government Division, 250-365-6575

BRITISH COLUMBIA | Ministry of Municipal Affairs

2022/23 Supplementary Estimates Note

Honourable Anne Kang

February 2023

GROWING COMMUNITIES FUND

ISSUE

- $1 billion dollars in new funding will assist local governments in B.C. build community infrastructure and amenities to provide the supports for a growing population.

RECOMMENDED RESPONSE

- **The population of B.C. has been increasing consistently over the past decade and is projected to keep growing in the next 10 years.**
- **This population growth is accelerating the demand for infrastructure and amenities in communities.**
- **Additionally, regulatory requirements and aging infrastructure across the province are creating an urgent need for significant investment even in communities experiencing no or slower growth.**
- **The Growing Communities Fund (GCF) will provide a one-time total of $1 billion in direct grants to all 188 of B.C.'s local governments, which they can use to address their community's unique infrastructure and amenities demands.**
- **Eligible infrastructure includes recreation facilities, parks and water-treatment plants, as well as other community infrastructure.**
- **It will help communities prepare for future growth and build the amenities needed to support new home construction, especially with the Housing Supply Act where targets are set.**
- **The Growing Communities Fund will come from the surplus shown in the Second Quarter Financial Report. The Province is putting this year's surplus to work for people, to support them now and for the long term.**

BRITISH COLUMBIA | Ministry of Municipal Affairs

2022/23 Supplementary Estimates Note

Honourable Anne Kang

February 2023

- **Local governments will be required to deposit the funds to a dedicated reserve fund for capital infrastructure and report annually on the use of the funds.**

KEY CONSIDERATIONS

- In the December 2022 mandate letter, the Minister of Municipal Affairs was asked to "explore options to support fast growing municipalities with funding for infrastructure and community amenities." Local governments across the province have expressed their strong interest in this mandate letter commitment, irrespective of their community's population size and growth trajectory, given widespread infrastructure needs.
- Significant infrastructure funding in the province is from Federal/Provincial grant programs. The federal government is currently exploring options for a future bilateral infrastructure program. However, the timing for a final federal decision is uncertain, leaving a runway of significant time before it will be available in B.C.
- The Ministry of Municipal Affairs (MUNI) has received direction from Cabinet and support from Treasury Board for one-time funding for the GCF in the amount of $1 billion in 2022/23.
- Most conditional grants are application-based. That is, local governments must apply to the province for funding. While this is a good vetting process for funding, it is time-consuming for program design, review and approval and resource intensive for the applicants.
- As the province wants to fully fund the GCF before the end of the current fiscal year (March 31, 2023), a direct delivery model is the most viable mechanism.
- The GCF is authorized by the Minister under a new regulation that enables non-application-based grants but also permits the Minister to establish terms and conditions to ensure that funds are used in the desired manner.
- The funds will be allocated through a formula to all local governments. The formula will include a base amount plus an adjusted population per capita allocation and a growth factor.

CONTACT: Tara Faganello, ADM, Local Government Division, 250 356-6575

BRITISH COLUMBIA | Ministry of Municipal Affairs

2022/23 Supplementary Estimates Note

Honourable Anne Kang

February 2023

CRITICAL COMMUNITY INFRASTRUCTURE

ISSUE

- The provincial government provides funding contributions to local government infrastructure projects that are driven by senior government regulatory change or that support provincial priorities such as public and environmental health. Current funding programs are fully allocated. Provincial funding will allow unfunded projects to advance, reducing key risks and supporting continuation of core infrastructure services such as supply of clean drinking water, effective treatment of wastewater, support growing populations and enhance community resilience.

RECOMMENDED RESPONSE

- **This funding enables critical community infrastructure projects to proceed in the short and medium term and will reduce pressure on future programs.**
- **Between 2018 and 2023 the Province fully allocated the federal-provincial funding allocated through the Investing In Canada Infrastructure Program.**
- **There are no current programs to support these projects.**
- **Metro Vancouver Regional District's Iona Island Wastewater Treatment Upgrade will be the largest local government project in the history of the province. It does not fit within funding program parameters.**
- **These projects will reduce key risks and support the continuation of core infrastructure services through the supply of clean drinking water, effective treatment of wastewater, support growing populations and enhance community resilience.**

KEY CONSIDERATIONS

- The funding will support primarily drinking water, wastewater, solids waste and greenhouse gas (GHG) reduction public infrastructure projects. The 21 projects are situated in communities across the province and have, at minimum, one in each economic development region.

BRITISH COLUMBIA | Ministry of Municipal Affairs

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Honourable Anne Kang

February 2023

- The contributions will be administered through project specific contribution agreements with each proponent outlining the terms and conditions and reporting requirements of the funding.
- The amounts are project specific and range from $500,000 up to $250 million; excluding the allocation to Metro Vancouver, the average contribution is $9.9 million.
- The Investing In Canada Infrastructure Program was oversubscribed as evidenced by the request received through five intakes for drinking water and wastewater projects with 392 applications requesting $2.01 billion in senior government funding.
- There were 94 projects approved for $714.1 million in program. This resulted in 298 unfunded applications and an unmet ask of $1.29 billion.
- Metro Vancouver Regional District's Iona Island Wastewater Treatment Plant Upgrade is a $750 million of a multi decade $10 billion project that is required to be undertaken by the Federal Wastewater System Regulations.
- Government Financial Information; Intergovernmental Communications

CONTACT: Tara Faganello, ADM, Local Government Division, 250 356-6575

APPENDIX A – ALL PROJECTS AND PROVINCIAL CONTRIBUTIONS

Project	Recipient	Total Cost ($M)	Prov Share	%
Water Distribution Renewal	City of Prince Rupert	Government Financial Information	$65.00	Government Financial Information
Sewer Extension South – Phase 1	Comox Valley Regional District		$30.00	
Government Financial Information			Government Financial Information	
Landfill Closure	City of Terrace		$5.00	
Government Financial Information			Government Financial Information	
Development of Phase 1B at Forceman Ridge Waste Management Facility	Kitimat Stikine Regional District		$3.00	
Government Financial Information			Government Financial Information	
	Subtotal ICIP Projects	**$346.04**	**$200.00**	**58%**
Iona Island Wastewater Treatment Upgrade – Phase 1	Metro Vancouver Regional District	$750.00	$250.00	33%
	Total All Projects	**$1,096.04**	**$450.00**	**41%**

Title: **Future Ready Skills Plan Overview**

Issue: **Future Ready: Skills for the Jobs of Tomorrow Plan**

Key Facts and Background:

- In February 2022, the StrongerBC Economic Plan publicly committed to developing the Future Ready Plan - a generational commitment to accelerate talent development and skills training across the province, and to drive inclusive and clean growth.
- In Spring 2022, the Ministry of Post-Secondary Education and Future Skills worked with ministries to conduct 55 targeted engagement sessions with over 850 individuals including sectoral, regional and Indigenous partners.
- The Future Ready Plan was developed with input from 18 ministries, plus Government Communications and Public Engagement and the Premier's Office.
- The Future Ready Plan builds a StrongerBC for everyone by making investments and policy changes so post-secondary education and skills training are more affordable and accessible for all.
- It captures work already being done across government and launches 21 new and/or expanded initiatives to make it easier and more affordable for all people in B.C. to learn the skills they need.
- The Labour Market Outlook forecasts that B.C. will have over one million job openings in the next decade. Nearly 80% of these job openings will require some form of post-secondary education or training - where, for the first time in modern history, there are more jobs than workers.
- Budget 2023 announced $480 million in funding over three years to support the Future Ready Plan, including $39 million over three years for a new short-term skills training grant (Future Skills Grant).
- Budget 2023 also announced funding for several related initiatives that will be highlighted in the Future Ready Plan, including:
    - $150 million over three years as part of the training cornerstone of BC's Health Human Resources Strategy;
    - $151 million over three years for Student Financial Aid;
    - $40 million over three years in capital funding to support the Health Human Resources Strategy, and renovate and expand existing classrooms and other facilities;
    - $575 million over three years towards student housing.
- The public Future Ready Plan is expected to be released on May 1, 2023. It will provide a clear and compelling account of how the Province is working with British Columbians to

meet today's labour force needs, close the skills gap, and prepare British Columbians for the jobs of the future.

- The Future Ready Plan will:
  - Invest in the skills and talents of people in British Columbia is at the heart of our government's plan for a StrongerBC.
  - Make it easier and more affordable for all people in B.C. to learn the skills they need to build a good life for themselves in a rapidly changing economy.
  - Prepare people for the jobs of today and tomorrow by expanding access to post-secondary education, WorkBC and skills training.
  - Open doors for people to develop skills for the future so they can get the training they need to grow or change their careers. We're breaking down barriers to get more people into the workforce.
  - Work with Indigenous Peoples to break down systemic barriers to employment and create better access to post-secondary education and skills training.
  - Help businesses find the new workers they need to continue to succeed.
- Future Ready is a generational commitment to make education and skills training more affordable and accessible, so that people can get good jobs and build good lives in British Columbia.

Appendix A: Summary – Future Ready Funding by Ministry

TB Funded Initiatives	Ministry Receiving Funding	Preliminary TB Approved Funding ($ million)				
		23/24	24/25	25/26	3 YR TOTAL	Type of Funding (TBD)
1. Expanded BC Access Grant	PSFS	0.0				Advice/Recommendations
2. Expanded Tuition Waiver for Former Youth in Care	PSFS	6.4	6.4	6.4	**19.2**	
3. New StrongerBC Future Skills Grant	PSFS	10.0	14.5	14.5	**39.0**	
4. Expanded K-12 Career Connections & Dual Credit	ECC	0.9	3.0	2.3	**6.2**	
5. Expanded Skills Training Programs for People with Multiple Barriers	PSFS	1.9	1.9	1.9	**5.7**	
		7.6	15.6	15.6	**38.8**	
6. New StrongerBC Find Your Pathway Digital Services	PSFS	12.22	15.48	15.79	**43.49**	
7. New Care Economy Workforce Development Strategy	SDPR	1.05	1.05	0.8	**2.9**	
8. Expanded Mass Timber Skills Training	PSFS (responsible Ministry: JEDI)	0.9	1.1	1.3	**3.3**	
9. Expanded Manufacturing Workforce Development	JEDI	1.0	1.0	1.0	**3.0**	
10. New Targeted Recruitment & Retention for Teachers (Rural and Remote focus)	ECC	1.17	1.35	1.16	**3.68**	

11. Expanded Vet Med Seats	PSFS	5.7	7.3	8.8	**21.8**	Advice/Recommendations
12. Expanded Old Growth Strategy Forestry Skills Training	PSFS	10.1	10.1	10.1	**30.3**	
13. Expanded Graduate Scholarships and Internships	PSFS	5.0	5.0	5.0	**15.0**	
14. Expanded Technology and Innovation Workforce Development Initiatives	JEDI	2.6	2.6	2.9	**8.1**	
15. New StrongerBC Workplace Innovation Fund	PSFS	5.0	11.8	13.6	**30.4**	
16. Expanded Work Integrated Learning Opportunities at post-secondary	PSFS	1.5	1.5	1.5	**4.5**	
17. Expanded Early Childhood Educator Seats	PSFS	3.35	4.1	4.6	**12.05**	
18. Expanded Tech-related Seats	PSFS	8.4	18.5	24.9	**51.8**	
		3.8	8.3	10.8	**22.9**	
19. Expanded Declaration Act Action Plan Workforce Priorities (FLAGSHIP)	PSFS	30.6	29.3	29.3	**89.2**	
	ECC	0.15	1.35	1.35	**2.85**	
20. Expanded Guardian and Stewardship Training Initiative	WLRS	1.32	3.81	3.81	**8.94**	
21. New StrongerBC Rapid Response Training	PSFS	1.5	2.0	2.0	**5.5**	
		3.1	2.6	2.6	**8.3**	
OVERSIGHT and COORDINATION						

22. New Future Ready Office	PSFS	1.22	1.0	1.0	**3.22**	Advice/Recommendations
TOTAL		**126.48**	**170.64**	**180.01**	**480.13**	

Title: **International Education/British Columbia Council for International Educational (BCCIE)**

Issue: **International education and BCCIE**

Key Facts and Background:

- In 2021, there were 184,350 international students in B.C. – an increase of 83% since 2013. This represents nearly 22% of all international students in Canada, 2nd to Ontario.
- 79% of all international students study in the Lower Mainland region; 10% in Vancouver Island/Coast; 9% in the Southern Interior; 3% in the North.
- Top 5 source countries and market share: India (34%), China (18%), South Korea (5%), Japan (4%), Mexico (3%).
- Of the 184,350 international students in B.C. in 2021, 151,000 (82%) were at the post-secondary level: 56% at public institutions; 26% at private degree-granting / theological institutions; 18% at private training institutions.
- In 2021[1], 19% of public post-secondary students were international, up from 8% in 2013.
- In 2021/22, public post-secondary institutions generated $1.37 billion in international tuition revenue, which was 19% of total revenue for the institutions.
- International students also support broader economic activity. In 2019, they spent over $6.6 billion on tuition, accommodation and living expenses, arts, culture, and recreation, supporting an estimated 53,400 jobs in communities throughout the province.[2]

International Education Framework

- The rapid, concentrated growth in the number of international students in the province created benefits, tensions, trade-offs, and need for government direction.
- We are continuing the work on a student-centered International Education Framework to guide a balanced approach to international education in B.C.
- The December 2022 Ministry mandate letters set out priorities on international education for student protection, and institution accountability to government for quality education and fair treatment of students.
- We believe it's important to ensure international students have a positive experience in B.C. and can access timely support for protection and integrity issues, while continuing to attract skilled workers from around the world to help build the B.C. economy.
- We continue to work with students and institutions on this topic.

[1] For the public post-secondary data, 2021 represents the 2020/21 academic year.

[2] An Update on the Economic Impact of International Education in British Columbia, Dr. Roslyn Kunin, 2020 (unpublished).

International Student Tuition

- International student tuition at public post-secondary institutions is set by the Board of Governors of each institution, independent of government.
- On average, international students pay four times more tuition than domestic students at public institutions because they generally pay the full cost of their education without a subsidy from taxpayers.
- Academic Arts Annual Tuition Fees for Domestic and International Students at Select B.C. Public Post-Secondary Institutions - 2022/23:

	Domestic	**International**
University of British Columbia	$5,729	$42,803
University of Northern British Columbia	$5,756	$23,818
Kwantlen Polytechnic University	$4,604	$20,949
Thompson Rivers University	$4,576	$19,220
Langara College	$3,165	$18,762
College of the Rockies	$2,975	$14,701
British Columbia Institute of Technology	$5,681	$20,104
System Simple Average	**$4,330**	**$19,020**

Source: British Columbia Public Post-Secondary Institutions

- 2022/23 international undergraduate tuition fees at B.C. public post-secondary institutions were second highest after Ontario, below the Canadian average and comparable with other major jurisdictions in the country.

Ontario	$45,242
B.C.	$32,900
Quebec	$29,827
Alberta	$29,610
Manitoba	$18,459
Canada Average	**$36,123**

Source: StatsCan

- Government's current guideline encourages institutions to set international tuition at a level that covers direct costs and overhead, so that taxpayers do not subsidize international students.

- Students, stakeholders, and the Legislature budget consultations have recommended that the Ministry provide for predictable fees to international students, to ensure they feel welcomed and are supported.
- The Ministry's International Education Framework will include guidance for public institutions on tuition transparency.

International Student Supports

- Supports are available to international students through public post-secondary institutions such as student housing, information on housing options in the community, financial assistance through bursaries and emergency funding, food bank services, and mental health support to respond to individual needs.
- International students also have access to mental health support through Here2Talk – our free 24/7 province-wide mental health resource with translation support.
- In addition, B.C. provides settlement and integration services to eligible post-secondary international students, graduates and other newcomers through the BC Settlement and Integration Services Program (funded through Municipal Affairs).
- Settlement Agencies provide information on opportunities in the community, employment counselling and education on workplace rights and responsibilities.
- We want to ensure international students have the support they need while they study and following graduation. International students who remain in B.C. after graduation foster innovation through research at our universities and contribute to a diverse and inclusive labour market.

Research and Academic Security Concerns with International Education Partnerships

- In 2021, a working group of the federal government and research universities developed guidelines and a toolkit to evaluate research projects and partnerships for national security implications.
- B.C. research universities have systems in place based on these guidelines to manage security and research integrity issues.

The BC Council for International Education (BCCIE)

- BCCIE works with government, public and private post-secondary institutions, and K-12 school districts to support delivery of quality international education and to help keep B.C. a leader in this sector.
- In alignment with Provincial direction, BCCIE works to enhance B.C.'s international reputation for quality education, diversify markets for student recruitment, support schools and institutions in regions outside the Lower Mainland to build their capacity to engage in international education, and promote these regions as study destinations.

- Budget: $2.3 million in 2023/24, including $1.5 million in annual operating funding from PSFS; ad hoc project funding from PSFS and the Ministry of Education and Child Care; and other revenue from events.
- Staffing: currently 10 FTEs. BCCIE continues to operate with fewer staff compared to the pre-COVID period, to help offset budget pressures.
- BCCIE's recent accomplishments include:
    - Delivered the annual B.C. International Education Week conference, which highlights topics on intercultural and Indigenization training, as well as supports for international students.
    - Hosted the 2022 Asia-Pacific Association for International Education (APAIE) conference in Vancouver, bringing together participants from around the world to improve professional skills and learn about best practices in international education.
    - BCCIE coordinated an education partnership initiative to Mexico to build student and faculty mobility and other academic partnerships between B.C. and Mexico institutions.
    - During the COVID-19 pandemic, BCCIE developed and continues to implement virtual fairs and online partnership development events with target markets, first developed during the pandemic. These new models extend BCCIE's reach to institutions in B.C. and in global partners.
    - BCCIE also worked with institutions through the pandemic to improve their support system for students, including mental health and training for frontline staff at institutions to better meet the cultural challenges students face.
    - As the province has emerged from the pandemic and international travel has resumed, BCCIE has focused on rebuilding a strong and diverse international education sector to support regional economic recovery and an improved international student study experience in B.C.
- in 2021 the Ministry engaged an external review of BCCIE's mandate, governance, and future direction to ensure its continued alignment with government values, priorities, and interests.
- BCCIE has made substantive progress on the recommendations, and on its mandated priorities to support government's international education goals, diversify B.C. markets, and support international programs outside the Lower Mainland.
- BCCIE's new 2022-2025 Strategic Plan is aligned with Provincial priorities and outlines its commitment to advancing B.C.'s international education sector. The new goals, objectives, and strategies are reflected in the 2023/24 BCCIE Service Plan and will be evaluated and monitored by BCCIE's new evaluation framework.

Title: **International Credential Recognition (ICR)**

Issue: **Mandate letter commitment to enable fair, transparent and efficient foreign/international credential recognition processes in B.C.**

Key Facts, Data and Background:

- In B.C., assessing and recognizing qualifications is the responsibility of 55 different regulatory authorities who provide certifications for 235 occupations.
- Approximately 2/3 of regulators are external bodies authorized by the B.C. Government through law to ensure that all individuals seeking licensure or certification meet and maintain occupational standards supporting public health, safety and confidence.
- Regulatory ICR barriers negatively impact B.C.'s labour market by impeding internationally trained professionals (ITPs) from obtaining certification in B.C.'s regulated professions, which in most instances restricts ITPs' employment options.
- This limits ITPs' economic and social outcomes, contributes to shortages of qualified professionals—including providers of essential services, and creates negative downstream effects on B.C.'s economy.
- To date, B.C. has supported regulators in addressing systemic barriers to credential recognition by funding improvement projects through the Credential Assessment Improvement Fund ($1 million annual budget). Appendix 1 has a list of recent projects.
- In 2015, research from the Conference Board of Canada estimated that there were 524,000 people in Canada with unrecognized international education and professional credentials, resulting in $17 billion in lost earnings.
- A 2019 Royal Bank of Canada report estimated that bringing immigrants up to the wage and employment levels of those born in Canada has the potential to add $50 billion to Canada's Gross Domestic Product.
- Foreign/International Credential Recognition is included in Recommendation #27 of the Select Standing Committee on Finance and Government Services Report on the Budget 2023 Consultation (p. 25, 106), "Recognize foreign/international credentials and encourage innovative skills programs such as micro-credentials".
- The Mandate Letter for the Minister of Post-Secondary Education and Future Skills (PSFS) includes direction to, "strengthen resources for the evaluation of skilled immigrants' credentials, including the Credential Assessment Improvement Fund" with support from the Minister of State for Workforce Development.
- In addition, the Minister of State for Workforce Development has a mandate commitment to work with the Minister of PSFS to pass legislation governing "the recognition of foreign/international credential standards to quickly remove barriers and

ensure that new international arrivals can find employment sooner in their field of training".

- Broad-based consultation will be critical to identifying options that meaningfully improve credential recognition and increase the supply of skilled professionals in B.C., while also continuing to protect public health, safety and confidence.
- The Minister of State is currently leading consultations with a broad range of stakeholders on potential legislative measures to improve ICR processes in B.C. Stakeholders include immigrant-serving organizations, ITPs, regulatory authorities, post-secondary institutions, and professional associations.
- The consultations will continue through Spring and Summer 2023 in a variety of formats to ensure government obtains comprehensive feedback (including 1-1 meetings, roundtables, and a public survey).

Advice/Recommentations

Appendix 1: List of Regulator-led Credential Assessment Improvement Fund (CAIF) Projects: 2019/20 to 2022/23

Regulator	Project Title	2019/20	2020/21	2021/22	2022/23
Architectural Institute of BC (AIBC)	Online Delivery of AIBC Courses	$185,000	$90,000		
	Oral Review Project		$70,000	$105,000	$140,000
Association of BC Forest Professionals (ABCFP)	Bridge Training Development Project	$60,000	$90,000		
	Omnibus Project: Credential Assessment Challenge Exams, Associate Registrant Category Development, Website Redevelopment Project, and Harmonizing Forest Technology Certification Standards			$150,000	$70,000
BC College of Nurses & Midwives (BCCNM)	Enhancing Access to Competency Assessments for Internationally Educated Nurses	$21,280	$25,000	$45,000	
	Enhancing Assessment Fairness for Internationally Trained Nurses Seeking Registration			$80,000	$10,000
	Online Jurisprudence Course	$40,000	$2,000		
BC Society of Landscape Architects (BCSLA)	Pathway to Accessible Licensure Program		$20,000	$33,000	
College of Applied Biology	College of Applied Biology Credentials Training			$40,000	

Regulator	Project Title	2019/20	2020/21	2021/22	2022/23
	On-line Applicant Self-Assessment Tool for Internationally Trained Applied Biology Professionals	$37,600	-$10,488		
College of Dietitians	Knowledge assessment review for international applicants			$15,000	$140,000
	Online Information Portal Access and Website Update for International Applicants	$50,000	$66,500		
College of Occupational Therapists of BC	Developing A Right-Touch, Risk-based Approach for Gap Filling Options to Support Internationally Educated Occupational Therapists	$52,500	$58,000		
	Modernizing the Jurisprudence Knowledge Assessment Test (JKAT) & Enhancing Supports: Ensuring IEOT Knowledge & Supports for Safe Practice			$35,000	$12,000
College of Opticians BC (COBC)	Prior Learning Assessment and Recognition (PLAR) Improvement Project (refracting)	$108,000	$50,050		
	Prior Learning Assessment and Recognition (PLAR) Improvement Readiness – Improvement Project			$59,000	$87,900

Regulator	Project Title	2019/20	2020/21	2021/22	2022/23
College of Physical Therapists of BC	Supervision and mentorship toolkits	$30,000	$105,000		
College of Psychologists of BC (CPBC)	Remote/Online Enhancements for Internationally Educated Applicants Process		$15,000	$7,500	$2,500
College of Speech and Hearing Health Professionals of British Columbia (CSHBC)	Academic Equivalency Framework			$25,000	
Early Childhood Educator Registry	Digital Application Process and Online Resources		$20,000	$45,000	
Engineers and Geoscientists BC (EGBC)	Professional Placement Pilot Program	$92,400			
Environmental Operators Certification Program (EOCP)	Career Accelerator for the Water and Wastewater Environmental Operator		$23,750	$125,000	$40,000
Teacher Certification Branch (TCB)	Teacher Certification Enhancement Project		$50,000	$100,000	
Total*		**$676,780**	**$674,812**	**$864,500**	**$502,400**

* Spending shortfalls in 2019/20 and 2020/21 resulted from restrictions in response to ministry budget exercises. Shortfall in 2022/23 fiscal year results from re-prioritizing development of the ICR RFD and RFL and staffing.

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Title: **Student Housing**

Issue: **Update on building student housing beds**

Key Facts, Data and Background:

- Between 2001-2017, government funded 130 student housing beds, while public post-secondary institutions self-funded approximately 9,600 student housing beds.
- In *Budget 2018*, government announced a Student Housing Program and associated funding to build approximately 5,000 on-campus student housing beds with an additional 3,000 beds built through institution self-financing and partnerships.
- Since 2018, 7,766 new student housing beds have been announced (see Appendix A). As of February 2023:
    - 4,735 beds via provincial government loans/grants
    - 3,031 beds via PSI self-financing and partnerships
- In *Budget 2023*, government is adding another $1.106 billion in funding to build an additional 4,000 student housing to target areas with unmet student housing demand, bringing the 10-year target to 12,000 student homes (see Appendix B).
- Student housing projects are aligning with government's priorities and including important amenities.
    - Many institutions are incorporating mass timber into their designs including BCIT, North Island College, Okanagan College and Capilano University.
    - Projects are meeting or exceeding Clean BC targets on energy efficiency.
    - Projects are including important community spaces for students including Indigenous cultural spaces, dining facilities and study areas.
- The Ministry's student housing initiative has involved extensive consultation with public post-secondary institutions, Indigenous partners and student societies.
    - The Student Housing Working Group provides advice and expertise on student housing, as a partnership between government, the First Nations Education Steering Committee, Métis Nation BC and the public post-secondary sector.
    - The Group continues to co-develop leading practices, principles and/or standards, including guidance to balance student rights with institutional accountabilities and to provide priority access to student housing for Indigenous learners and current/former youth in care.

Appendix A: Student Housing Update – February 2023

Appendix B: Student Housing Infographic – March 2023

Contact: Phil Hancyk Executive Director Post-Secondary Finance Branch 250-213-1204
Kashi Tanaka Executive Director Sector Partnerships and Emergency Support 778-698-8562

STUDENT HOUSING

Post-secondary students need access to affordable housing so they can pursue their studies. The shortage of student housing has put pressure on already tight rental markets across British Columbia.

Our government is delivering on our affordable housing promise. In Budget 2018, government announced provincial funding for public post-secondary institutions to build approximately 5,000 on-campus student housing beds. An additional 3,000 student housing beds will be built with institution self-financing and partnerships, for a total of approximately 8,000 new student housing beds. In Budget 2023, additional funding will deliver up to 4,000 beds in regions of the highest demand, increasing the 10-year target to 12,000 student homes.

The student housing program is on track to meet the target of 8,000 new student housing beds. Since 2018, 7,766 new student housing beds have been announced:

- 4,735 beds via loans/grants (shown in the table below); and
- 3,031 beds via PSI self-financing and partnerships.

Announced Provincially funded student housing beds since 2018

Post-Secondary Institution	Net New Beds	Funding					Total Project Cost
		Grant	Loan	Supports (Grant)	Supports (Loan)	PSI	
College of the Rockies *(Cranbrook)*	100	Government Financial Information					19.0
College of New Caledonia Indigenous Housing *(Prince George)*	12						5.3
Coast Mountain College *(Terrace)*	108						21.6
Thompson Rivers University *(Kamloops)*	533						38.0
University of Victoria *(Victoria)*	621						230.8
University of British Columbia-Okanagan *(Kelowna)*	220						25.0
Simon Fraser University *(Burnaby)*	386						111.6
BC Institute of Technology *(Burnaby)*	470						119.7
Okanagan College (Kelowna, Vernon & Salmon Arm)	376						74.5

Selkirk College *(Castlegar and Nelson)*	150		34.2
North Island College *(Courtenay)*	217		77.9
University of Fraser Valley Dining Hall *(Abbotsford)*	0		12.6
University of Fraser Valley *(Abbotsford)*	398		74.7
Capilano University *(North Vancouver)*	362		58.2
Thompson Rivers University *(Kamloops)*	148		19.5
Douglas College *(New Westminster)*	368		132.9
Vancouver Island University *(Nanaimo)*	266		87.8
TOTAL	**4,735**		**1,143.3**

2023/24 ESTIMATES NOTE

Repeat Violent Offending Intervention Initiative

Suggested Response:

- To address concerns about an increase in violent and repeat offending in B.C., the Province commissioned the report "*A Rapid Investigation into Repeat Offending and Random Stranger Violence in British Columbia"* which recommended the adoption of the Prolific Offender Management model to address repeat violent offending.

- As a result, the Premier announced the Safer Communities Action Plan, through which BC Corrections, the BC Prosecution Service (BCPS) and Policing and Security Branch (PSB), are creating a multi-agency response called the Repeat Violent Offending Intervention Initiative (ReVOII).

- ReVOII brings together police, dedicated prosecutors and probation officers to address repeat violent offending through enhanced investigation, enforcement and monitoring of individuals in communities throughout B.C.

- ReVOII will be structured to meet the unique needs of each community and designed to work with local stakeholders and other existing programs through collaborative information sharing, such as situation tables and Assertive Community Treatment teams, to provide enhanced release planning that connects individuals to tailored support services.

- Twelve hubs, led by BC Corrections, that will support surrounding communities within their geographic region will begin operating in early May 2023. Each hub will have members who live and work in the communities in the region so they are familiar with local issues and concerns.

- Hubs will be located in Nanaimo, Victoria, Vancouver, Surrey, New Westminster, Abbotsford, Kamloops, Kelowna, Cranbrook, Prince George, Williams Lake and Terrace. Locations were determined based on the greatest number of individuals under supervision and/or incarcerated that met the criteria for ReVOII, and the ability of those sites to support surrounding communities.

- Once implemented, the hubs will work to identify an initial cohort of 400 priority cases for investigation/intervention and compile materials to assist dedicated prosecutors in making informed decisions about charge assessments, bail release and prosecutions.

- ReVOII will be supported by the new Special Investigation and Targeted Enforcement Program (SITE) that provides expanded resources through $16 million in funding over three years to strengthen targeted police investigations of repeat violent offending cases and enhance coordination between police agencies.

- BC Corrections, BCPS, and PSB are committed to the core principles and recommendations of the First Nations Justice Strategy and the draft Métis Nation Justice Strategy. Consultations have begun taking place with the BC First Nations Justice Council and Métis Nation BC during the development phase to ensure Indigenous perspectives inform the resulting model.

- For those that are committing repeated crimes that do not involve violence, the Safer Community Action Plan provides more resources to support individuals with substance use and mental health issues, such as expanding mental health crisis response hubs into more communities so police can focus on crime and people in crisis can get supports from trained health care workers and community members.

- Other supports include:
  - Expanded Peer Assisted Care Hubs.
  - Establishing new Car programs.
  - Additional funding for the B.C. Brain Injury Alliance.
  - Developing a scalable model of addiction care.
  - Expanding Community Transition Teams that connect people who are leaving a provincial correctional centre with mental health and substance use supports.

- Budget 2023 invests $462 million to help build safer communities, improve access to justice, and to create connected, cohesive support for people with mental health and addictions challenges.

<u>Resources</u>

- Treasury Board has provided contingency funding for ReVOII as follows:
  - BC Corrections
    - $0.175 million in 2022/23;
    - $3.936 million in 2023/24 plus $0.687 million for vehicle costs; and
    - $3.974 million in 2024/25.
  - BC Prosecution Service
    - $2.378 million in 2022/23;
    - $8.162 million in 2023/24; and

- $8.553 million in 2024/25.

- Funding will support the following dedicated staff resources:
  - BC Corrections:
    - Four FTEs (director, program manager, policy and program analyst, and senior researcher) to centrally develop, coordinate, and evaluate ReVOII;
    - Nine correctional supervisors and nine probation officers based in correctional centres for release planning; and
    - Twelve probation officers to support each community hub.
  - BC Prosecution Service:
    - 21 Crown Counsel and 21 BCPS professional staff to establish and support the dedicated prosecution teams.

Background:

- Appendix A Repeat Violent Offending Intervention Initiative: Inclusion Criteria.
- Appendix B Hub Locations and Communities Served.
- Advice/Recommentations

Contact: Blair Spencer (BCCORR)	Phone: 778-974-3968	Mobile: Government Financial

Appendix A
Repeat Violent Offending Intervention Initiative: Inclusion Criteria

Inclusion Criteria – To qualify for inclusion in the program, individuals MUST possess the following criteria:

a.) **A recent history of violent offending** [i]

b.) **A predicate violent offence**[ii]
The definition of "violent offences" includes:

i.) Actual and/or perceived violence, threat of violence, or the use of/possession of a weapon; OR
ii.) Property and other offences which contain a component of violence, intimidation, or the threat of violence; OR
iii.) Administrative offences resulting from an alleged or substantiated violation of an order where the substantive offence is a violent offence.

Note – This inclusion criteria will apply to all locations. A prioritisation tool will be developed to assist locations in selecting a group where the number of referrals exceeds the maximum capacity.

Exclusions – One or more of the following factors will disqualify an individual from inclusion in the program:

a.) Individuals, who by virtue of their age at the time they committed the predicate offence, would be prosecuted pursuant to the *Youth Criminal Justice Act*.[iii]
b.) Individuals who have committed a homicide or commit any offence that results in the death of another human being.[iv]
c.) Individuals whose predicate offence is an intimate partner violence offence and whose criminal history is comprised primarily of intimate partner violence offences.[v]
d.) Individuals whose predicate offence and criminal history are primarily related to organized crime or gang conflict.[vi]
e.) Individuals who do not have a history of violent offending OR where the history of violent offending is outdated.[vii]
f.) Individuals whose predicate offence does not include an element of violence or threat of violence.[viii]

CONFIDENTIAL DRAFT

Version: February 1, 2023

Rationale for inclusion/exclusion criteria

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[i] RECENT HISTORY OF VIOLENT OFFENDING: The Program recognizes that people can have a criminal history that is outdated and that a person who is substantially rehabilitated may for a variety of reasons re-offend at some date in the distant future. The Program is geared towards intervening in circumstances involving the highest risk individuals to public safety. If the predicate offence is not coupled with a criminal history that is recent then it risks unnecessarily capturing the wrong group and risks not intervening in the circumstances involving the most high-risk individuals. A prioritization tool will be developed that will provide sites with metrics that will assist in selecting individuals based upon the relative recency and severity of past violent offending.

[ii] PREDICATE OFFENCES: A predicate offence can include a violent offence currently before the Courts or violent offences which are no longer actively before the courts but have resulted in a custodial sentence or community supervision order. A predicate offence is necessary to ensure that justice agencies, aside from policing, have a mandate for involvement with the participant.

[iii] YOUTH EXCLUSION: There are currently existing programs in place within communities and amongst police, corrections and the BCPS to manage and address the unique personal and legal needs of young people as well as the risk they pose to the community. The *Youth Criminal Justice Act* contains a declaration of principles that guides policy and practice when it comes to intervening and holding young people accountable for offences they commit and engages resources and procedures unique to youth involved in the criminal justice system which are beyond the scope of the Program.

[iv] HOMICIDES AND OFFENCES THAT RESULT IN THE DEATH OF A HUMAN: The investigation, management and enforcement of homicide offences and those that result in the death of another human being is complex and multifaceted. Investigative teams are often comprised of specialist and experienced police officers. Prosecution teams also involve specialist and experienced prosecutors. While pre-trial management of the individual who committed the offence is done through corrections, the post sentence supervision is most often done by the Correctional Service of Canada (CSC) and the person's release is within the purview of the Parole Board of Canada (PBC). Additionally, there are other mechanisms and procedures in place that can be used to manage the risk of those individuals not within the purview of the CSC/PBC including s. 810.2 orders. The resource needs that these types of offences bring are significant and there are currently processes in place to investigate, prosecute and manage individuals who commit these offences.

[v] INTIMATE PARTNER VIOLENCE - While the impacts IPV to victims and society are very serious, it is noted that police/BCPS/and corrections have existing programs and partnerships in place to manage the unique needs and risk of these individuals (ie. IPV investigative teams, IPV prosecution teams, IPV Courts, integrated correctional teams, highest risk protocols, etc.)

[vi] ORGANISED CRIME/GANG VIOLENCE - While the impacts of gang violence and organized crime to society are very serious, it is noted that police/BCPS/and corrections have existing programs and partnerships in place to manage and address the unique needs and risk of these individuals.

[vii] NO HISTORY OF VIOLENCE OR HISTORY OUTDATED – The Program's objective is to respond to the public safety issue currently facing British Columbians that involves repeat violent offending. By its very definition, a history of repeat violence is necessary and focuses on a specific subset of individuals who pose greatest risk to the community. The Program also recognizes that a person may have a history of violent offending and that history may be largely outdated as the person was substantially rehabilitated. In those circumstances, the individual may not present a high risk for future violence to the community and a prioritization tool will assist in determining whether a record is too outdated to be relevant. It is those individuals who have a history of recent violent offending and who continue to violently offend that pose the greatest risk to the community and who the Program is attempting to intervene with.

CONFIDENTIAL DRAFT

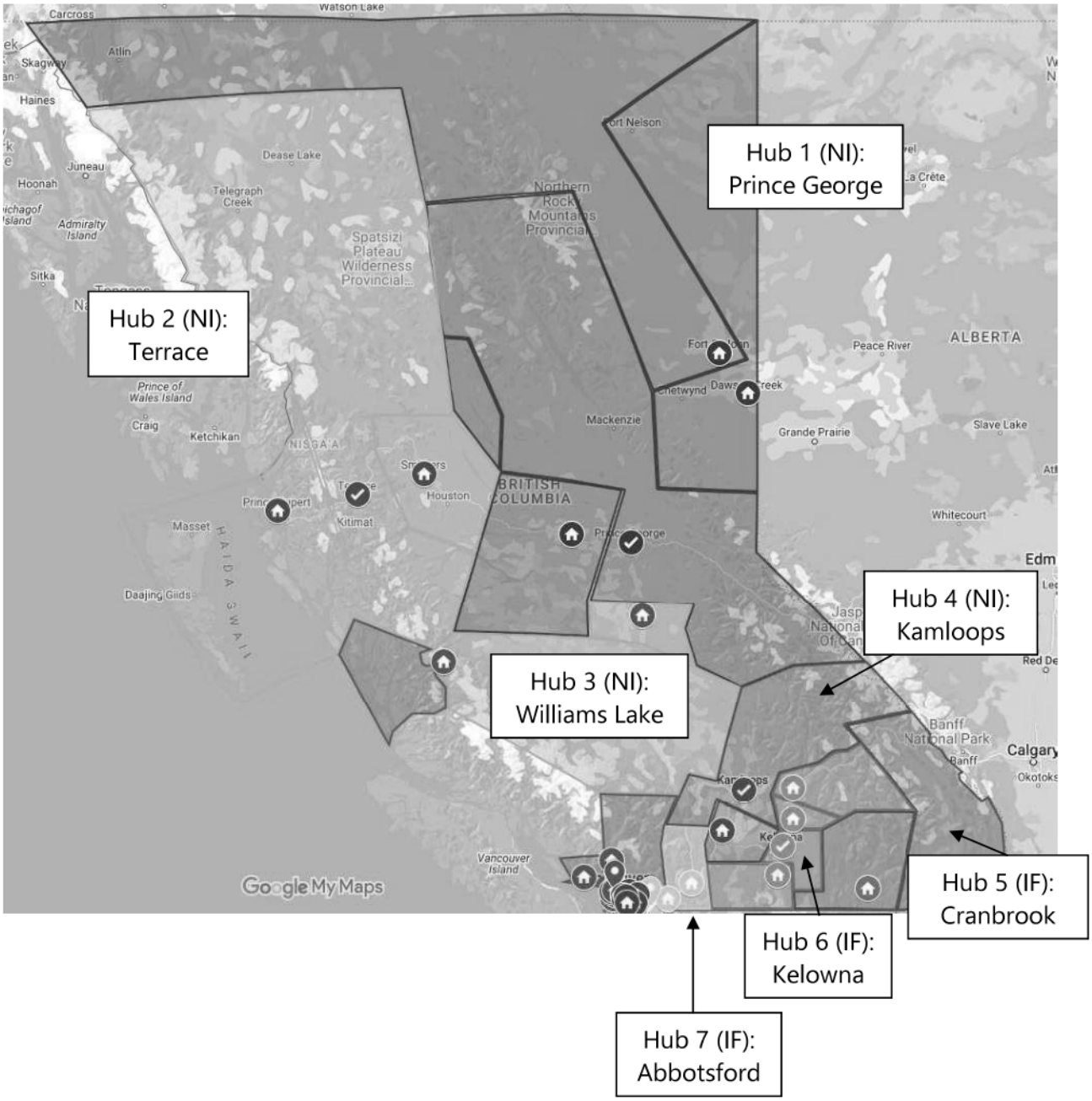
[viii] NO ELEMENT OF VIOLENCE OR FEAR IN PREDICATE OFFENCE - This program does not seek to include individuals who are primarily committing non-violent crimes as a mean of survival; many of whom struggle with drug addiction, mental illness and/or poverty.

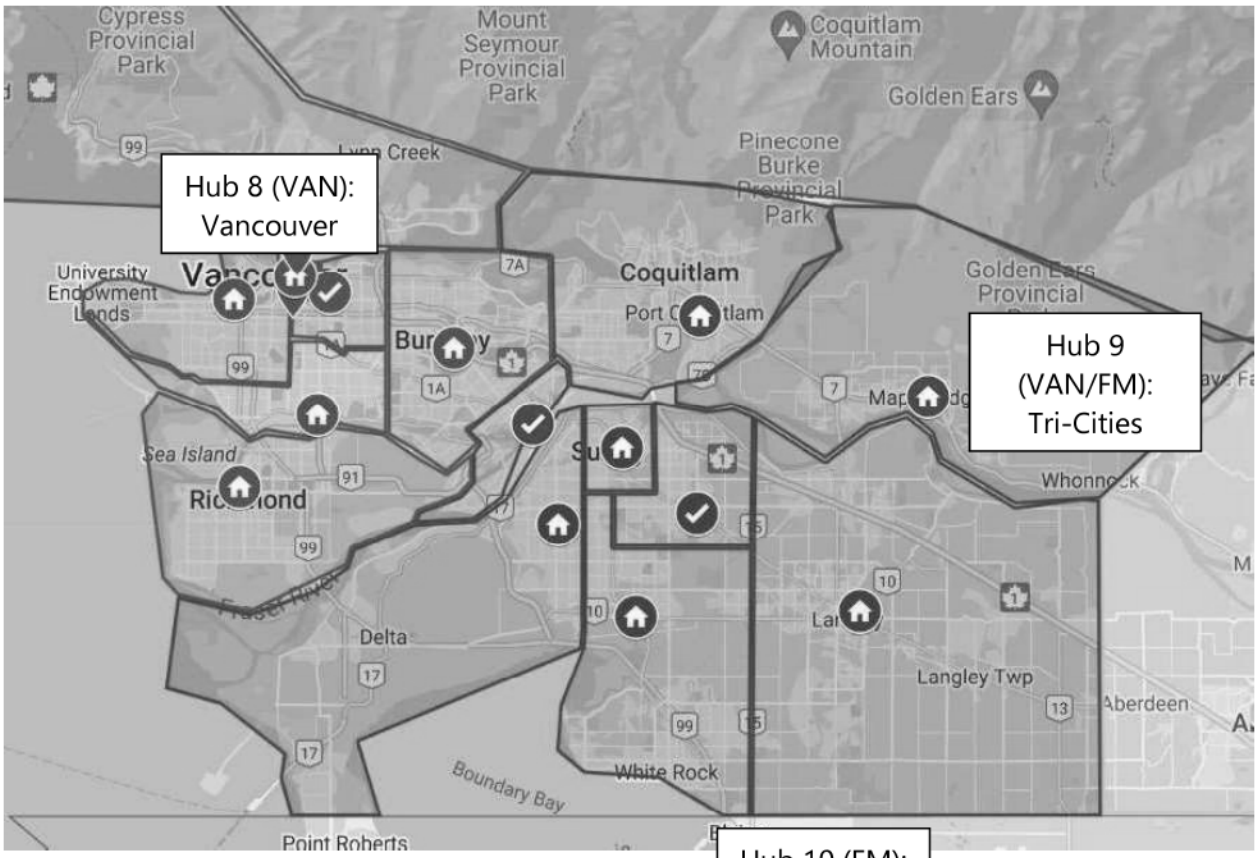
CONFIDENTIAL DRAFT

Appendix B

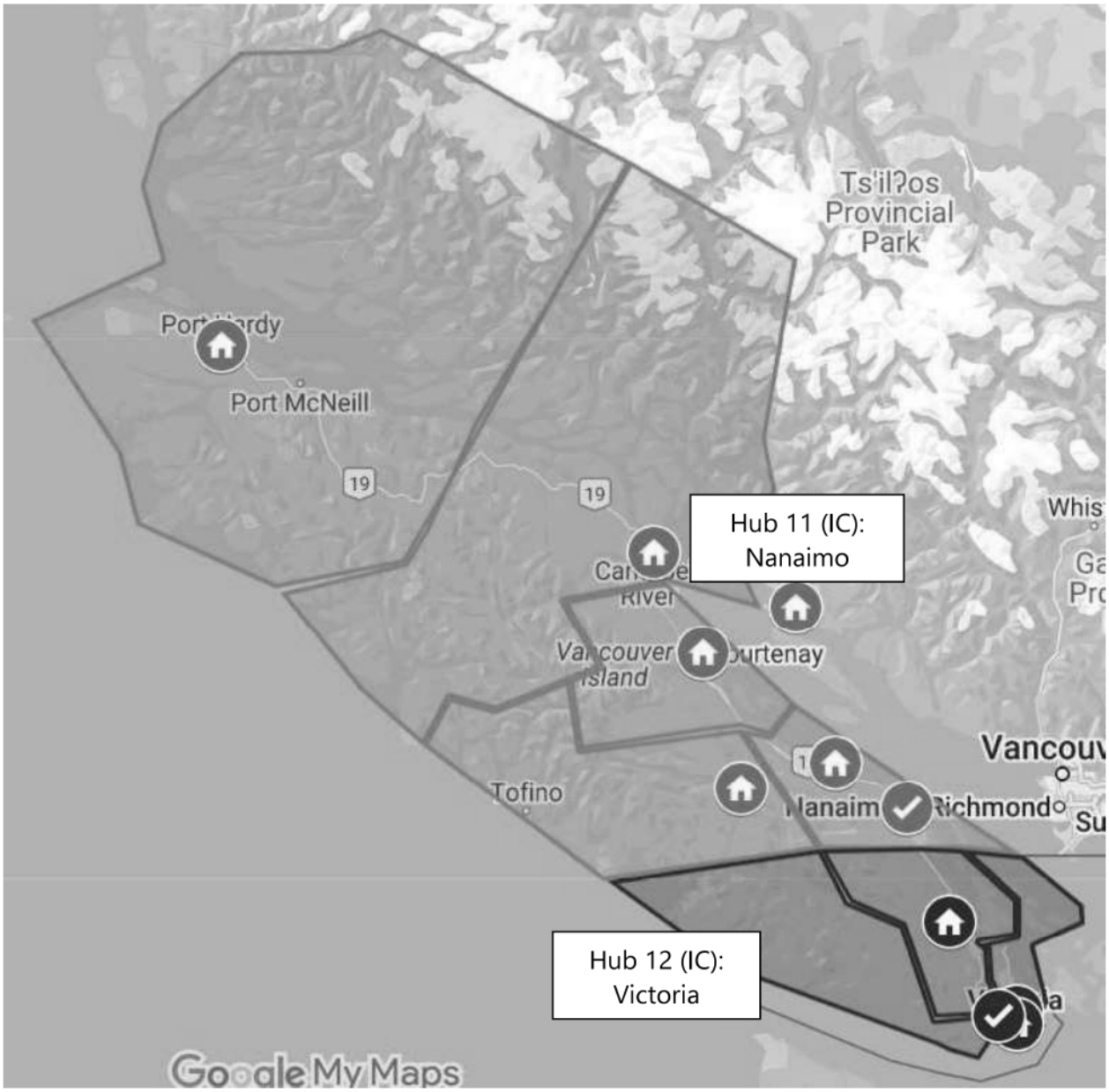
Hub Locations and Communities Served

Vancouver, Northern/Interior, Fraser/Metro, & Interior Fraser Regions

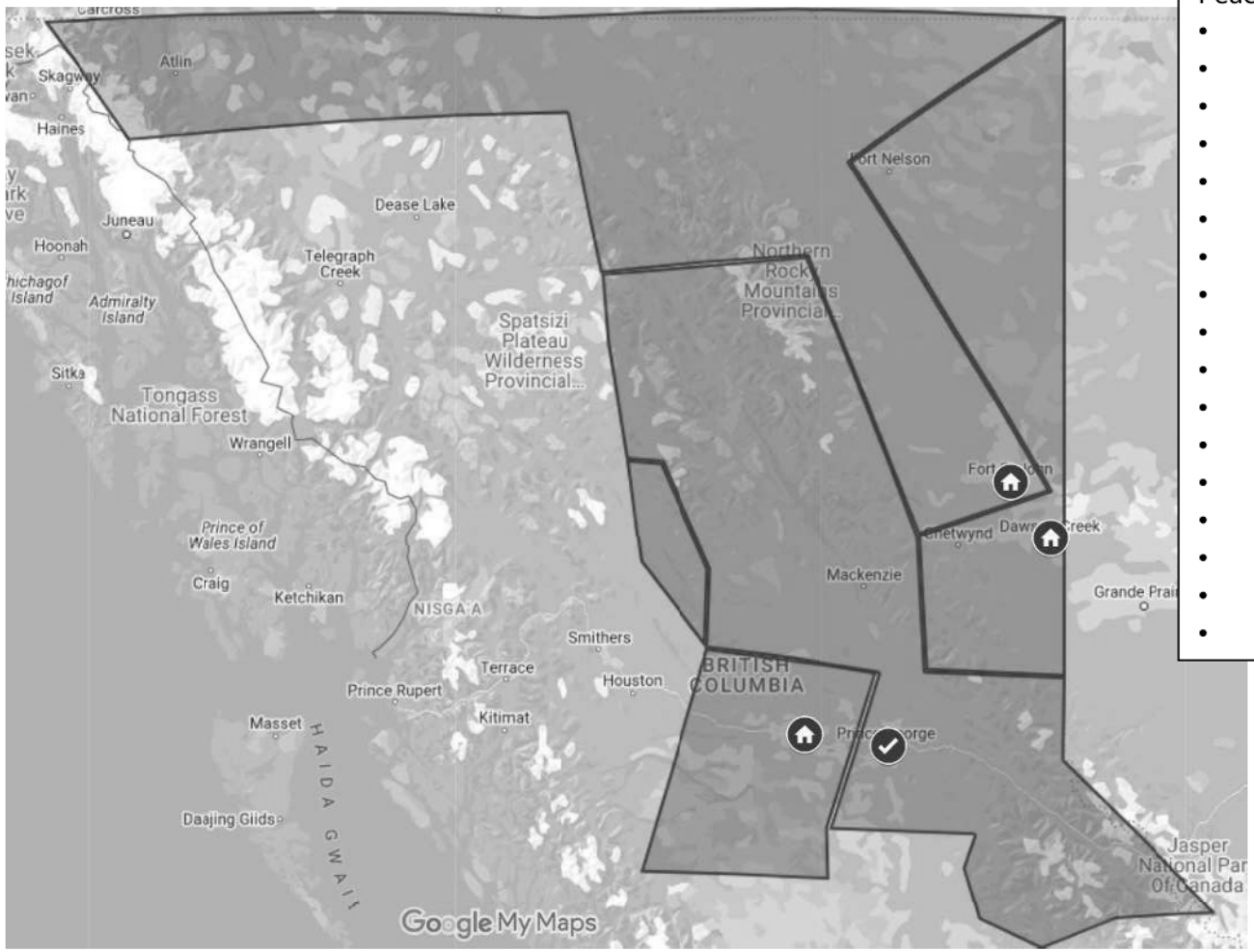



Hub 8 (VAN): Vancouver
Hub 9 (VAN/FM): Tri-Cities
Hub 10 (FM): Surrey
Cypress Provincial Park
Mount Seymour Provincial Park
Coquitlam Mountain
Golden Ears
Pinecone Burke Provincial Park
Lynn Creek
University Endowment Lands
Coquitlam
Golden Ears Provincial
Sea Island
Richmond
Whonnock
Delta
Langley Twp
Aberdeen
White Rock
Boundary Bay
Point Roberts

Island/Coastal Region



1 Prince George Hub
(Northern/Interior Region)

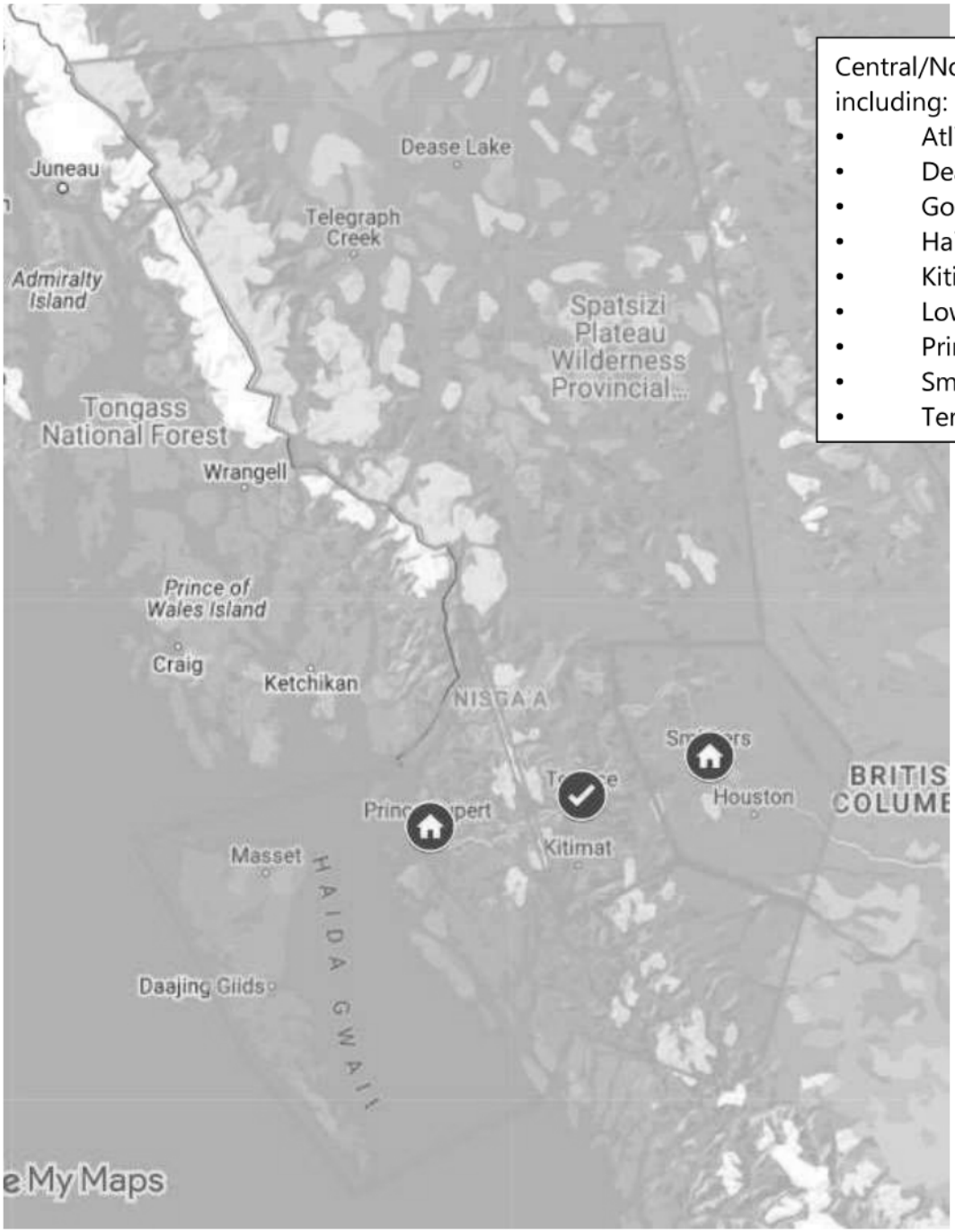


Peace Region including:

- Burns Lake
- Chetwynd
- Dawson Creek
- Fort Nelson
- Fort St. James
- Fort St. John
- Fraser Lake
- Houston
- Kwadacha
- Mackenzie
- McBride
- Peace Region
- Prince George
- Tsay Keh Dene
- Tumbler Ridge
- Valemont
- Vanderhoof

Includes 4 Community Corrections offices: Prince George* (Hub Coordinator), Fort St. John, Dawson Creek, and Vanderhoof.

2 Terrace Hub
(Northern/Interior Region)



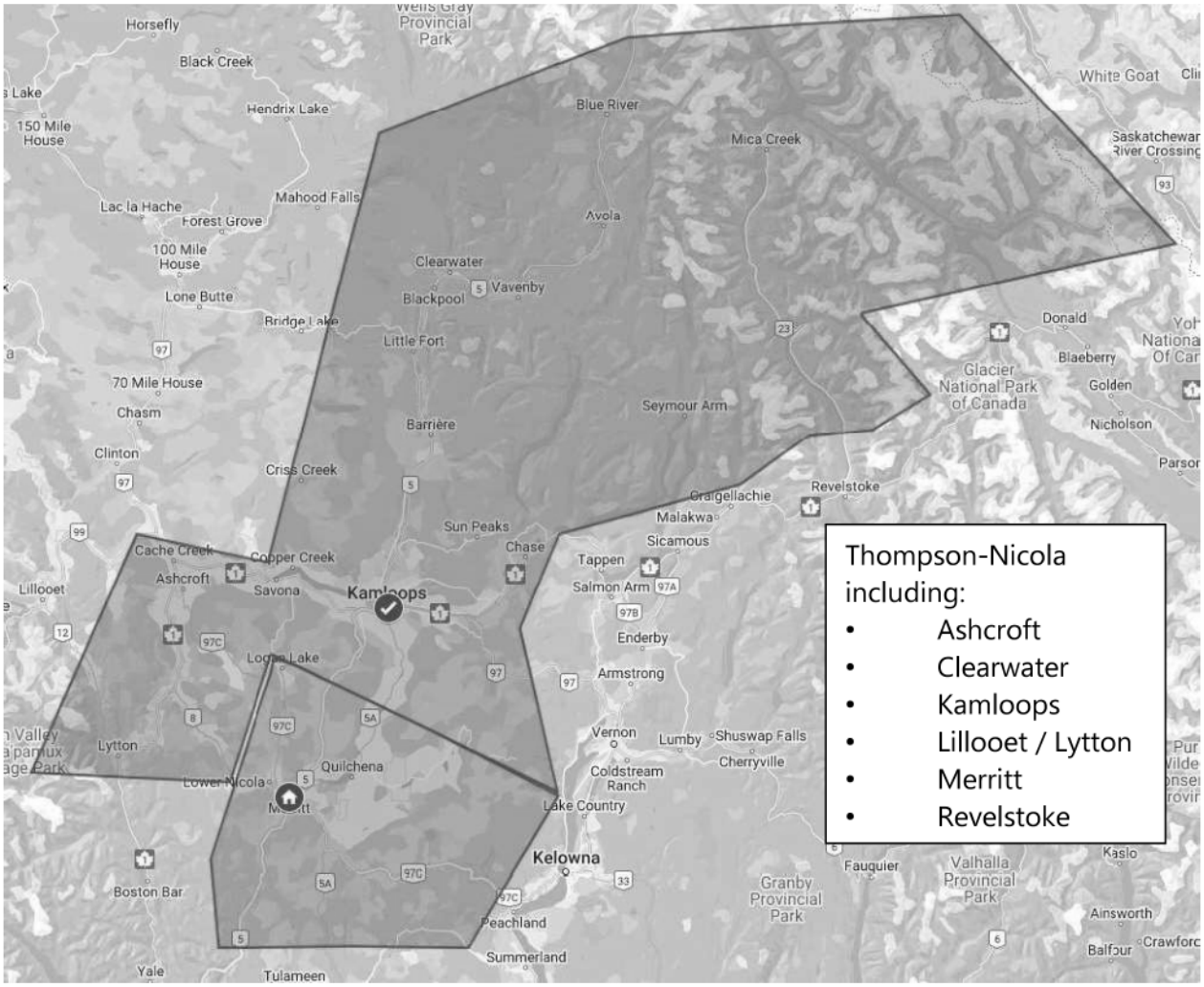
Includes 3 Community Corrections offices: Terrace* (Hub Coordinator), Prince Rupert, and Smithers.

3 Williams Lake Hub
(Northern/Interior Region)



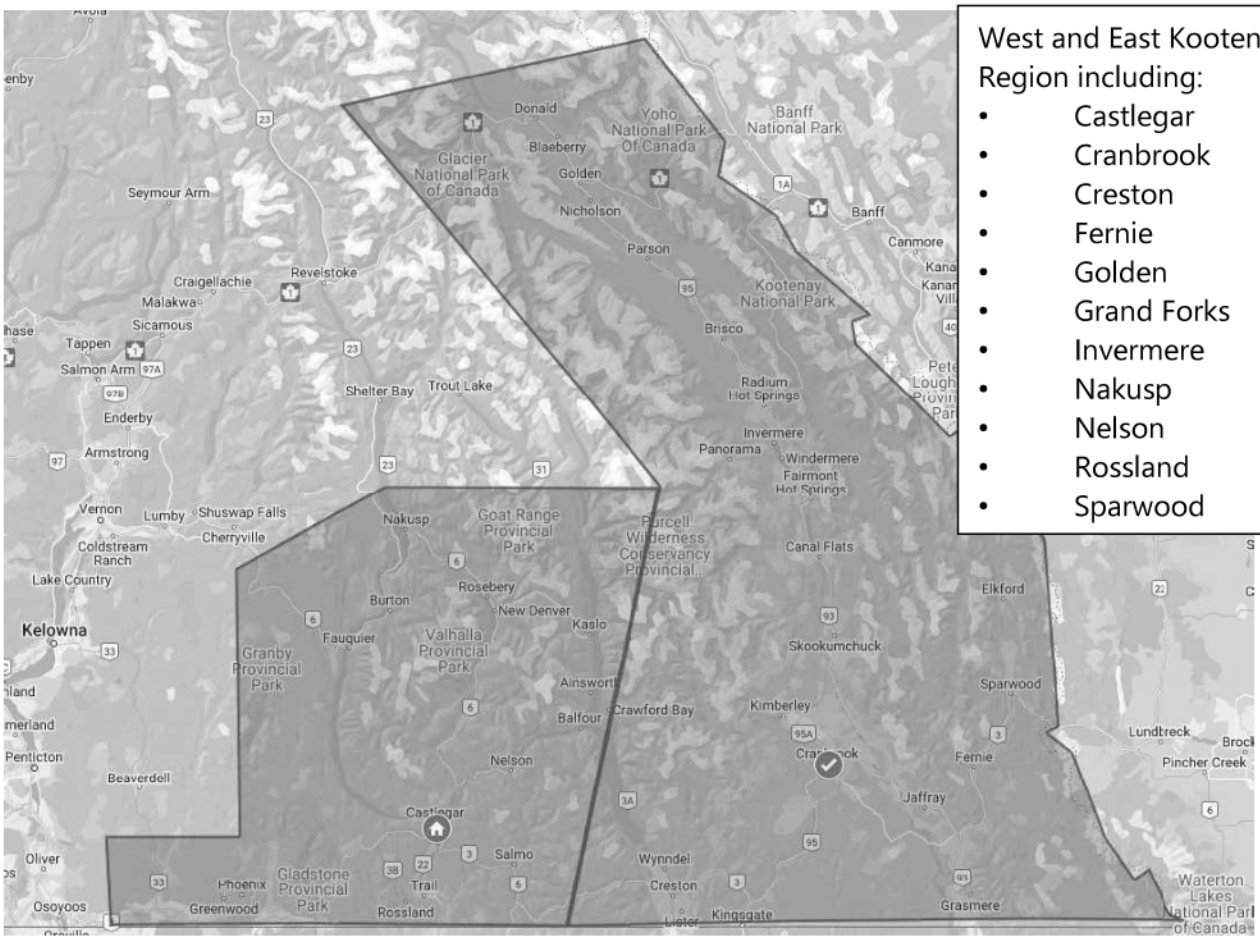
Includes 2 Community Corrections offices: Williams Lake* (Hub Coordinator) and Quesnel.

4 Kamloops Hub
(Northern/Interior Region)



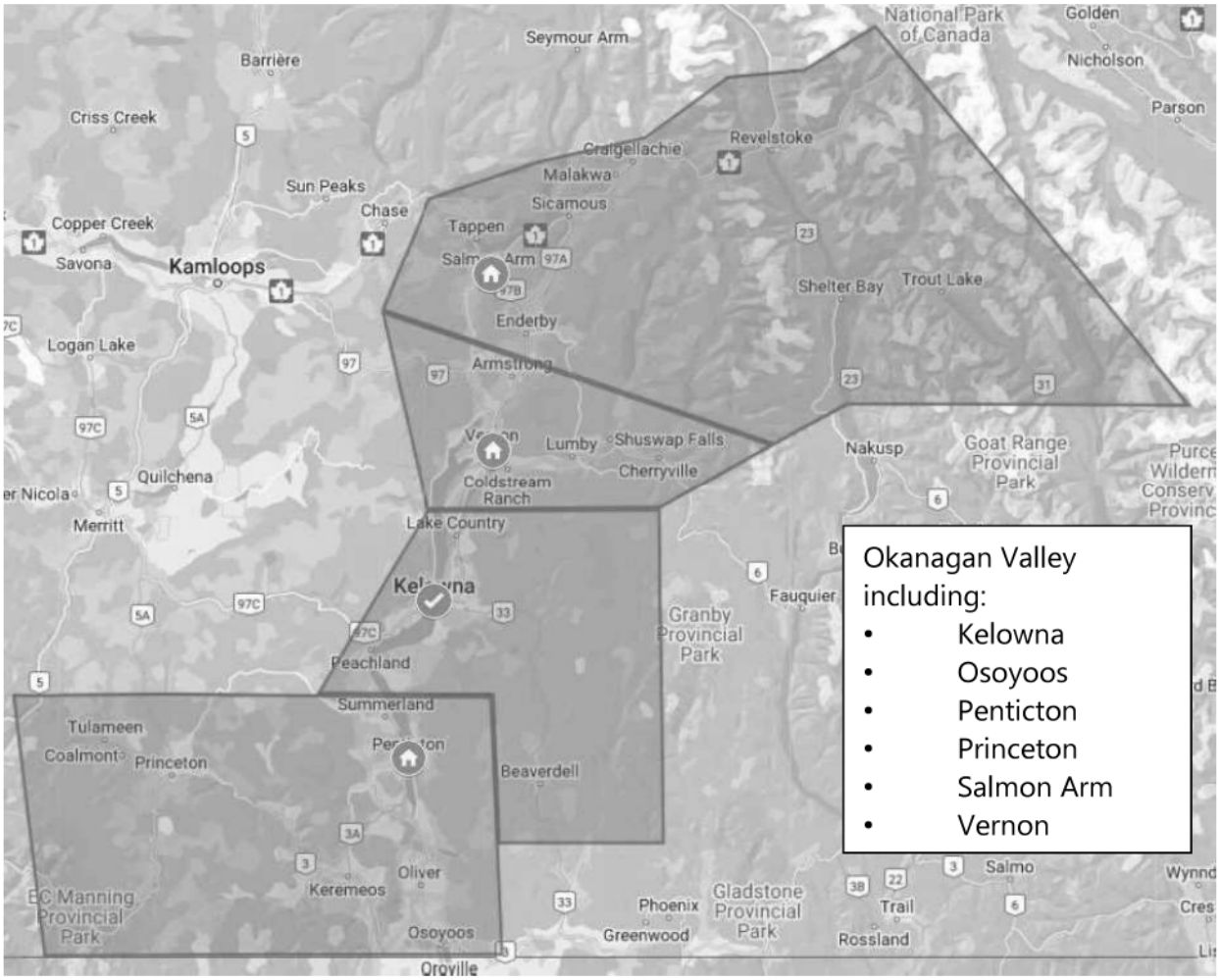
Includes 2 Community Corrections offices: Kamloops* (Hub Coordinator) and Merritt.

5 Cranbrook Hub
(Interior/Fraser Region)



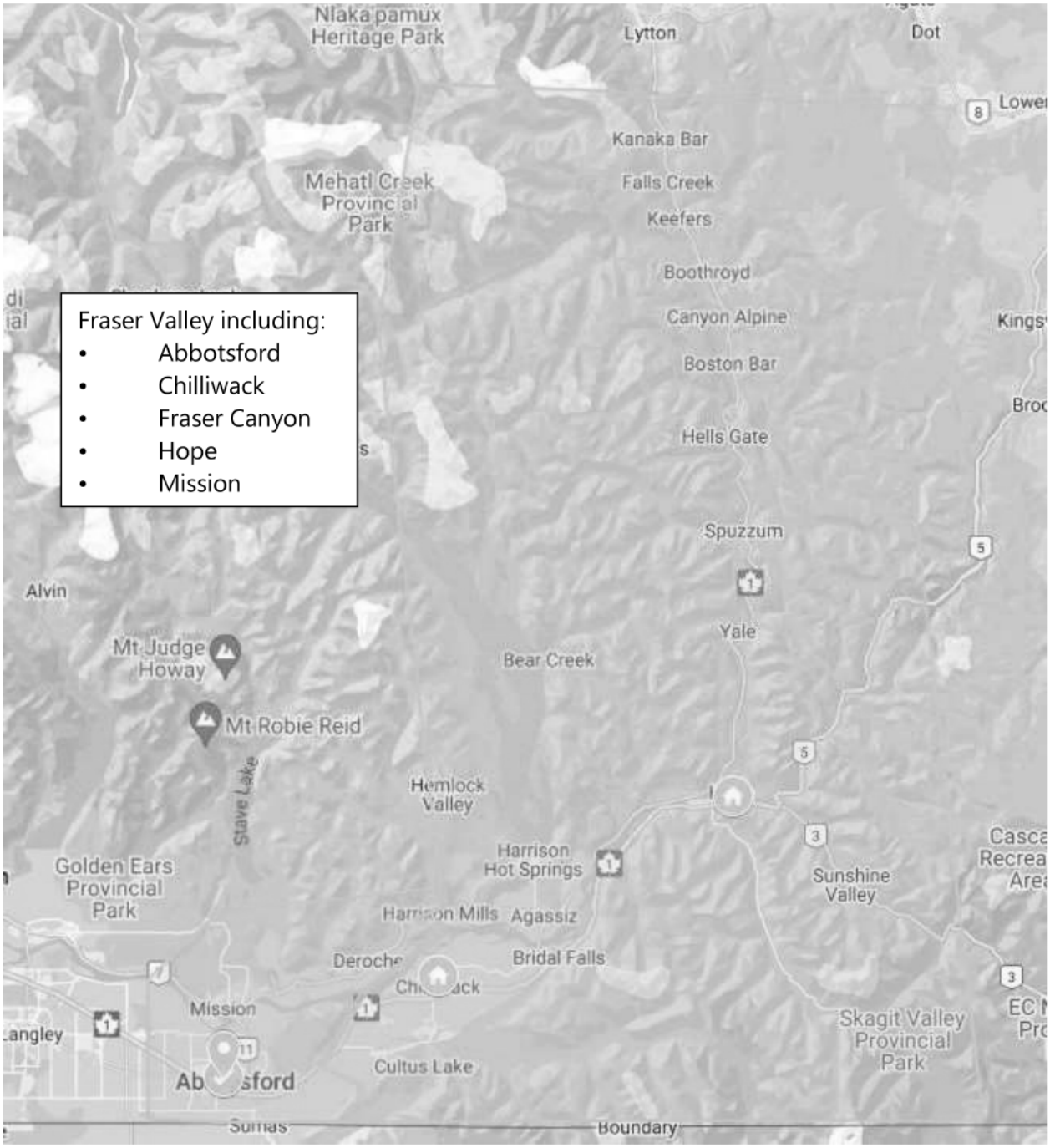
Includes 2 Community Corrections offices: Cranbrook* (Hub Coordinator) and Castlegar.

6 Kelowna Hub
(Interior/Fraser Region)



Includes 4 Community Corrections offices: Kelowna* (Hub Coordinator), Penticton, Vernon, and Salmon Arm.

7 Abbotsford Hub
(Interior/Fraser Region)

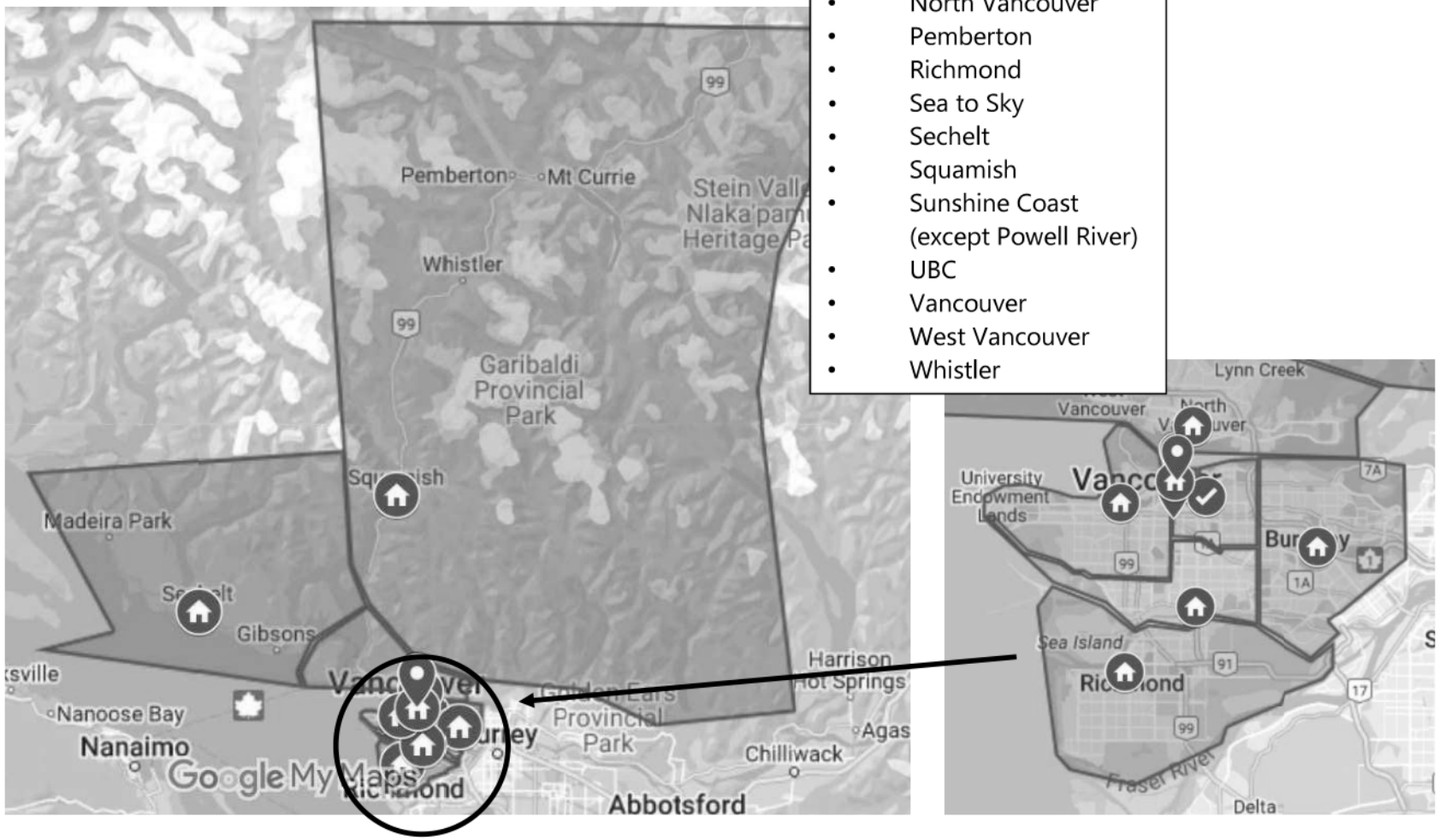


Includes 4 Community Corrections offices: Abbottsford* (Hub Coordinator), Chilliwack, Hope, and Mission and Community Outreach.

8 Vancouver Hub
(Vancouver Region)

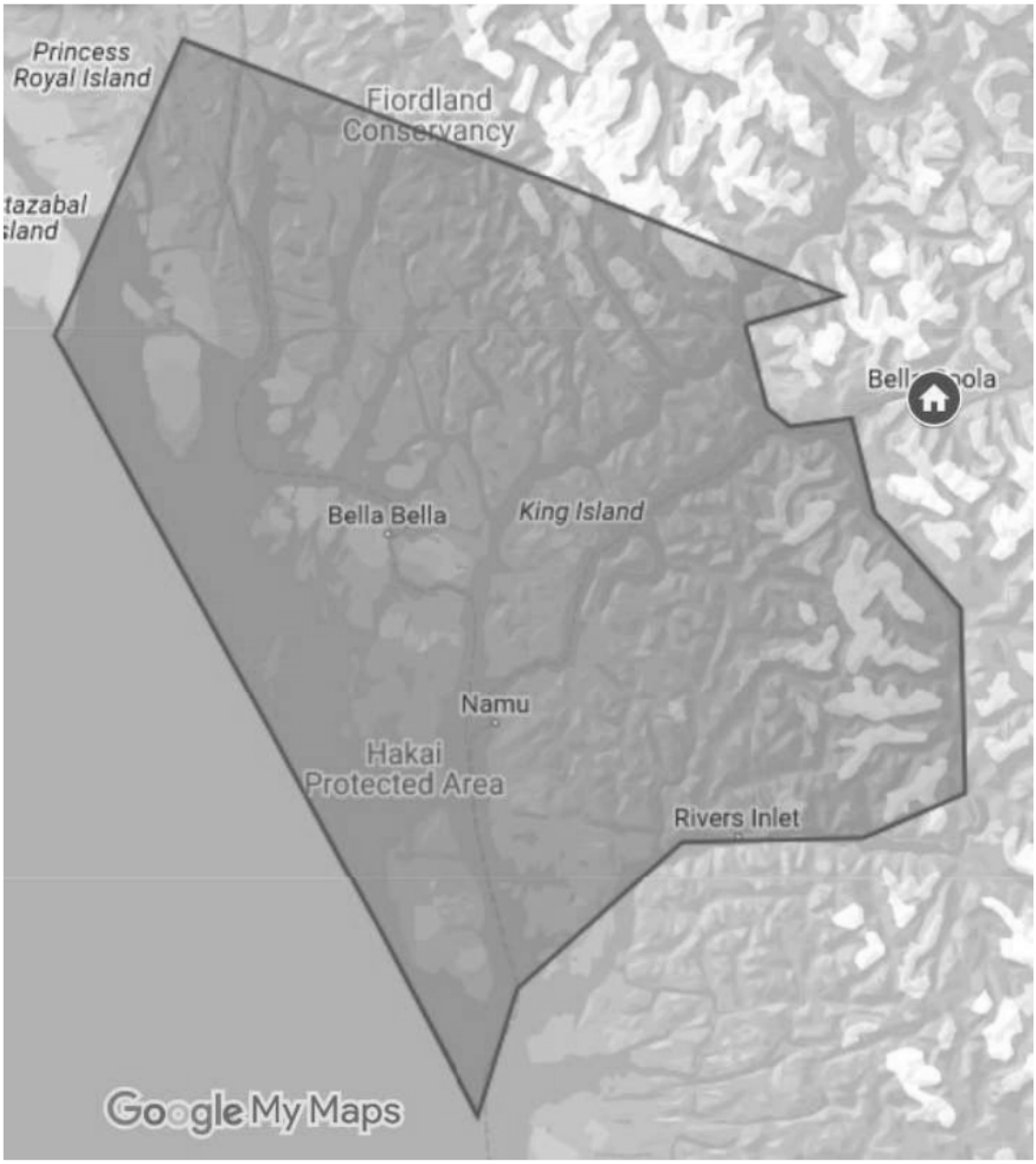
Metro Vancouver (West) including:

- Burnaby
- North Shore
- North Vancouver
- Pemberton
- Richmond
- Sea to Sky
- Sechelt
- Squamish
- Sunshine Coast (except Powell River)
- UBC
- Vancouver
- West Vancouver
- Whistler



Includes 13 Community Corrections offices: Vancouver East* (Hub Coordinator), Vancouver Court, Downtown Community Court, Vancouver South, Vancouver West, North Shore, Burnaby, Richmond, Vancouver Integrated Supervision Unit, Sechelt, Squamish, Drug Treatment Court of Vancouver, and Bella Coola.

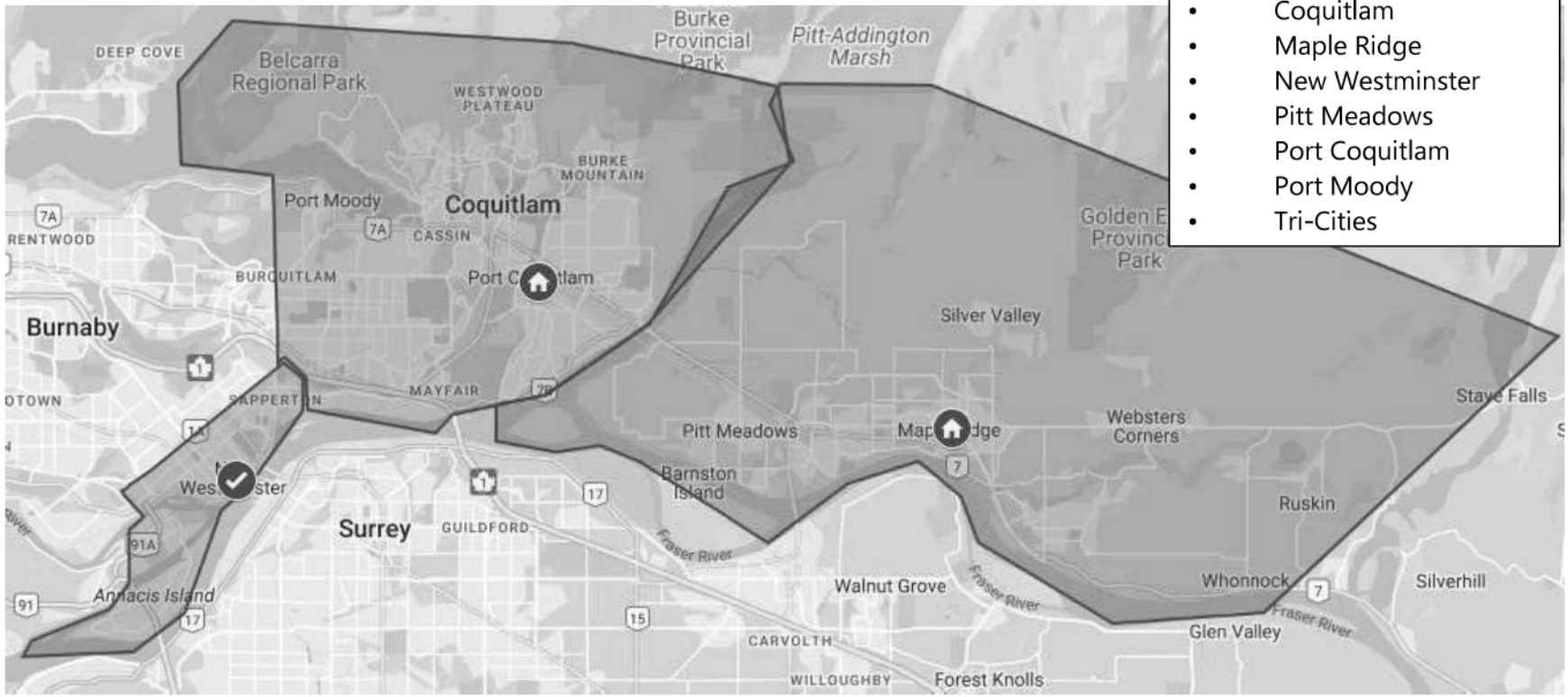
8 Vancouver Hub Continued



9 New Westminister Hub
(Fraser/Metro & Vancouver Region)

Metro Vancouver (Central) including:

- Coquitlam
- Maple Ridge
- New Westminster
- Pitt Meadows
- Port Coquitlam
- Port Moody
- Tri-Cities

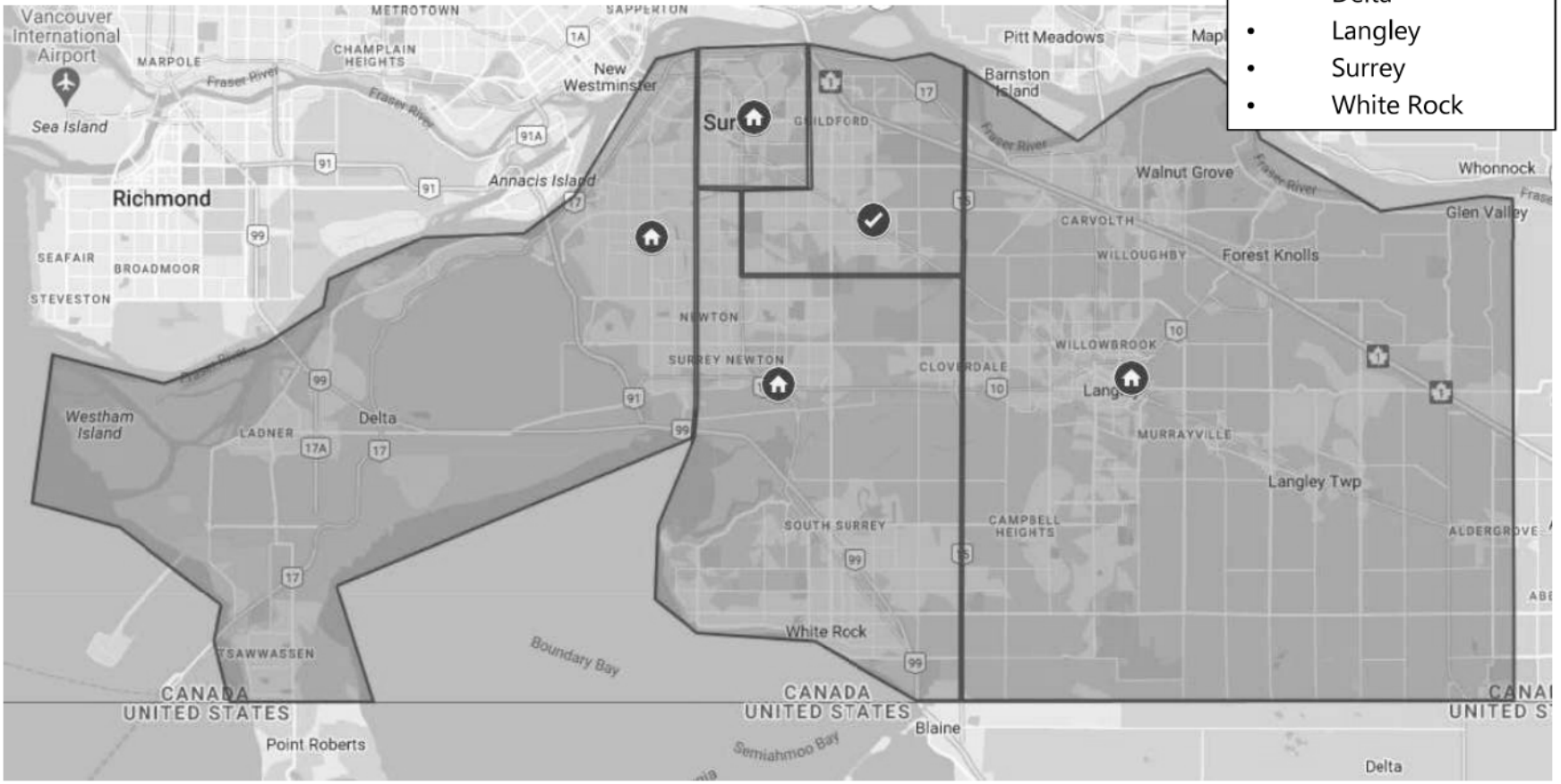


Includes 3 Community Corrections offices: New Westminster* (Hub Coordinator), Tri-Cities, and Maple Ridge.

10 Surrey Hub
(Fraser/Metro Region)

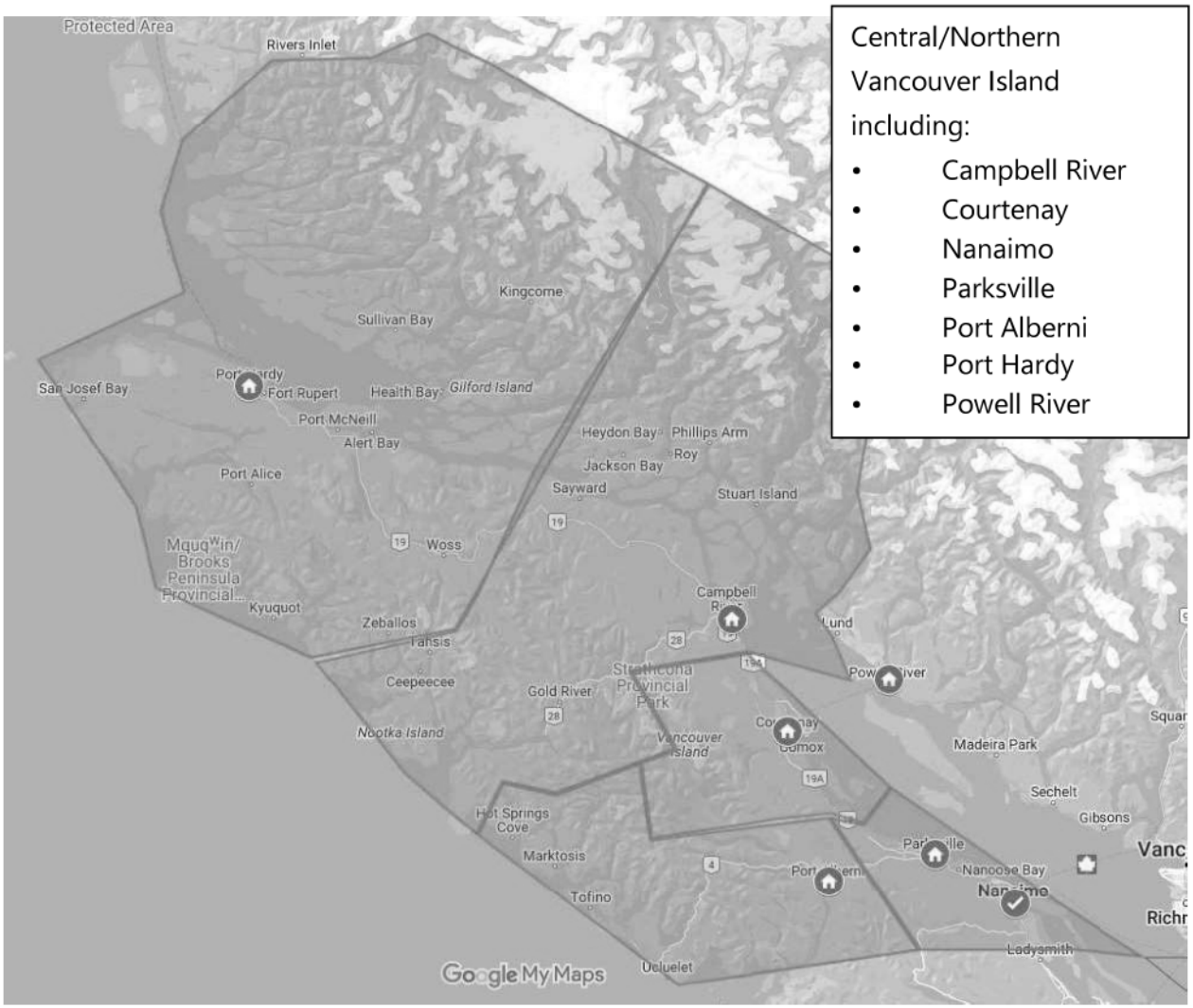
Metro Vancouver (East) including:

- Delta
- Langley
- Surrey
- White Rock



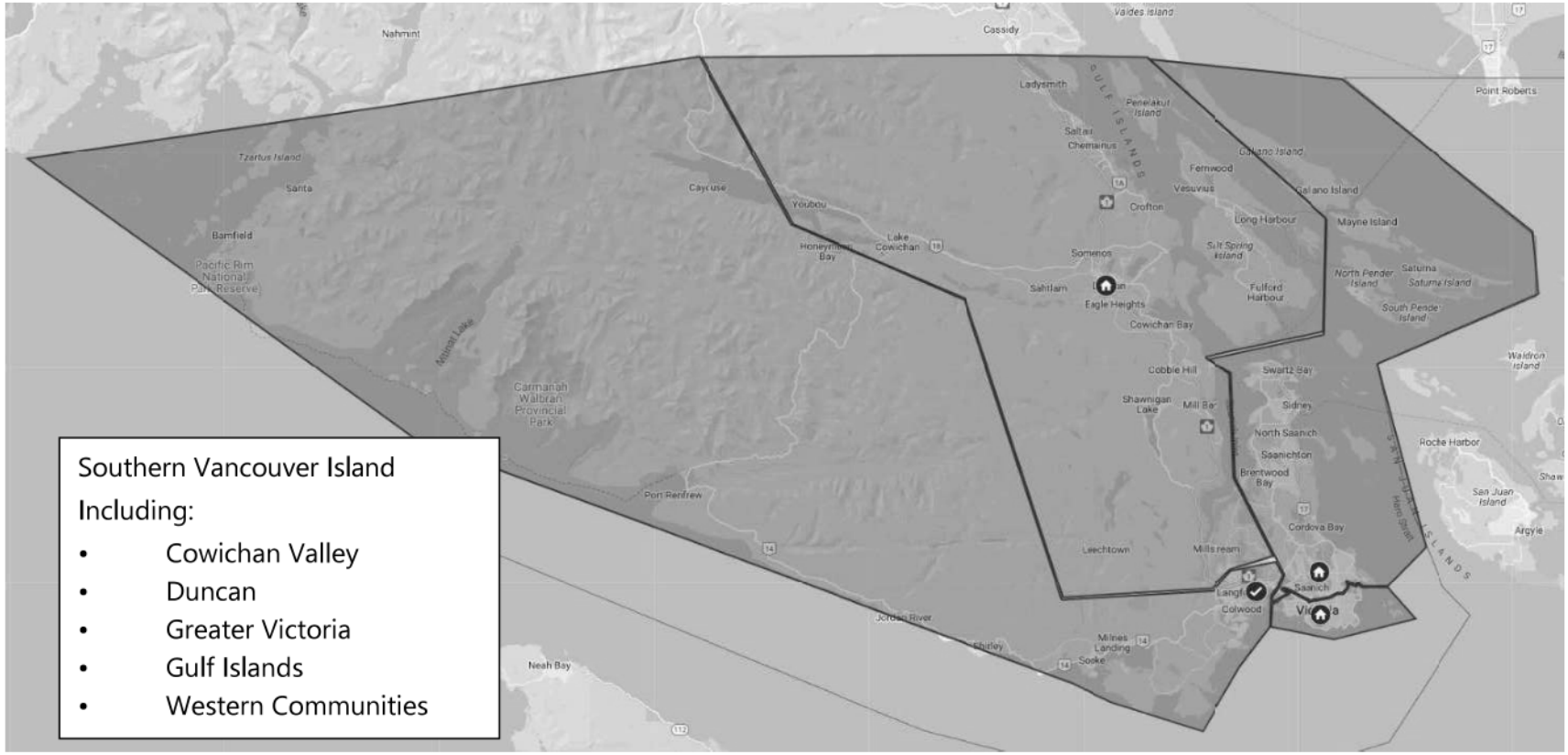
Includes 5 Community Corrections offices: Surrey East* (Hub Coordinator), Surrey North, Surrey South, Delta West Surrey, and Langley.

11 Nanaimo Hub
(Island/Coastal Region)



Includes 7 Community Corrections offices: Nanaimo* (Hub Coordinator), Port Alberni, Courtenay, Campbell River, Port Hardy, Powell River, and Parksville.

12 Greater Victoria Hub
(Island/Coastal Region)



Includes 4 Community Corrections offices: Western Communities* (Hub Coordinator), Victoria, Saanich, and Duncan.

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Advice/Recommentations

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Advice/Recommentations

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Advice/Recommentations

Page 628 of 766

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Advice/Recommentations

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Advice/Recommentations

2023/24 ESTIMATES NOTE

Decriminalization of Illicit Drugs

Suggested Response:

- *Budget 2023* provided funding of up to $3.26M over three years to the Policing and Security Branch, which will provide two FTEs to the RCMP.

- Decriminalization will help break down the barriers that prevent people from getting support and create new pathways to life-saving services.

- Substance use is a health matter – not a criminal justice one.

- Decriminalization is not legalization. Drug trafficking and other activities involving any illegal substances in any amounts remain illegal.

- Decriminalization is one tool to reduce stigma and encourage access to life-saving health and social services. By reducing stigma around drug use, decriminalization complements B.C.'s broader work to build an integrated and comprehensive system of mental health and substance use care for people throughout the province.

- We know that there is no one solution to ending the toxic drug crisis. We need to use all the options available to us, and that includes decriminalization.

- Several national and B.C.-based public health experts, advocacy organizations and professional associations, including the BC and Canadian Associations of Chiefs of Police, have voiced support for the decriminalization of personal possession.

- Police are not allowed to seize exempted drugs at or below the 2.5-gram threshold when the person is abiding by the scope and terms of the exemption.

<u>Police Training</u>

- With the support of police leadership, the first phase of police training launched in December 2022 focused on providing all officers in B.C. the information they need to operationalize B.C.'s section 56 exemption in their day-to-day work.

- As of April 1, 2023, over 80% of frontline officers had completed phase 1 training. The second phase will launch this spring and will focus on shifting policing practices to support a health approach to substance use.

<u>Local Governments</u>

- Local governments are key partners in responding to the toxic drug crisis through their work with police, regional health authorities, and community service providers. B.C. is committed to implementing decriminalization in a way that recognizes the needs of local

governments.

- There is no evidence from the 30 jurisdictions that have implemented some form of decriminalization that it has resulted in an increase in public drug use, but we understand the concerns and are committed to working with municipalities to ensure communities are safe for everyone.

- The Ministry of Mental Health and Addictions also continues to work closely with UBCM, public health professionals, and police to develop tools and resources to support municipalities in adopting a public health approach to substance use in the context of decriminalization.

Budget/Expenditures:

- Budget 2023 commits $18.92M over three years for activities related to decriminalization. Funding is allocated as follows, over three years:
  - $3.26M to Policing and Security Branch
  - $13.7M to Ministry of Health
  - $1.95M to Ministry of Mental Health and Addictions

- Funding is to provide the Ministry of Mental Health and Addictions and Ministry of Public Safety and Solicitor General staffing, stakeholder engagement, decriminalization Project Managers, resource cards, police training, communications activities, and monitoring and evaluation. This includes two dedicated RCMP resources under the Policing and Security Branch's funding amount.

Background:

- On January 31, 2023, decriminalization came into effect in B.C. This means that adults (18 years and older) are not subject to criminal penalties for possessing small amounts of certain illegal drugs for personal use.

- In place of criminal penalties, police are now providing individuals found in possession of illicit substances at or below the threshold with a resource card, which includes contact information for local health and social services.

- When requested by an individual, a police officer may assist with a referral to these services (e.g., facilitating a referral through a phone call, or navigating the Wellbeing government website (www.wellbeing.gov.bc.ca).

- The exemption does not apply on the premises of K-12 schools and licensed childcare facilities, at certified airports, on Canadian Coast Guard vessels and helicopters, in a motor

vehicle or watercraft operated by a minor, or when illegal substances are within reach of the operator of a motor vehicle or watercraft, to youth aged 17 or younger, or to Canadian Armed Forces members subject to the Code of Service Discipline.

Contact: Matthew Brown (PSB)	Phone: 778 698-8432	Mobile: Government Financial

2023/24 ESTIMATES NOTE

Safer Communities Action Plan

Suggested Response:

- There has been significant progress made on implementing initiatives outlined in the Safer Communities Action Plan since it was announced on November 20, 2022.

- There are multiple, cross-government initiatives in justice, health, and social ministries that are contributing to the Province's response to enhancing public safety in B.C. communities.

Justice Ministries Response

- Two days after the Action Plan was announced, then Attorney General Murray Rankin provided direction to the BC Prosecution Service to amend their bail policy so that is clear and understandable in the situation of repeat violent offenders.

- The Province committed $25 million to support dedicated resources for developing and operationalizing the Repeat Violence Offending Intervention Initiative (ReVOII). Work has been underway to create the ReVOII units with police, dedicated prosecutors, and probation officers; the multi-agency meetings will commence in early May.

- There is $5.4 million to support a complementary initiative called Special Investigation and Targeted Enforcement (SITE) Program, which will provide supplementary funding for law enforcement investigations and enforcement actions targeting repeat violent offending.

- B.C. passed amendments to the *Civil Forfeiture Act* this spring pertaining to unexplained wealth orders, which was a Cullen Commission recommendation and considered in B.C.'s Anti-Money Laundering Strategy.

- The Province will fund 10 additional Indigenous Justice Centres to further improve access to culturally appropriate legal services for Indigenous Peoples, and the first five centres will open in metropolitan areas to better support Indigenous Peoples in urban areas.

- HealthIM, a digital public safety system designed to improve emergency police response in mental-health and substance-use situations, will be implemented with the support of over $3 million in new funding annually, starting in fiscal 2023/24.

- To support timely, effective bail hearings that will protect the public and meet constitutional obligations, the Province is investing more than $3 million per year to expand virtual bail hearings throughout B.C.

- The Province is providing $1.5 billion in new operating and capital funding over three years to fund the Homeless Plan, which will create new supportive housing units, complex-care spaces, temporary modular housing, and regional response teams.

- Other existing programs in the ministry are also contributing to the Safer Communities Action Plan, such as Situation Tables, the civil forfeiture grants program, the comprehensive guns and gangs strategy, and victim services.

Health and Social Ministries Response

- A key action of the Safer Communities Action Plan is the expansion of civilian-led teams of trained peers and mental-health professionals, like social workers and psychiatric nurses, to provide trauma informed, culturally safe support for people in crisis.

- There are already three peer assisted care teams (PACT) teams operating in B.C. but a total of 12 teams will be created, including some that are Indigenous-led teams.

- The Province committed $3 million in new funding for integrated mobile community crisis response by police and health-care workers (e.g., "Car programs" or "Mobile InCRT").

- There are also plans to expand complex care housing services, funding for brain injury research, implementing supported rent supplement programs, investments to treatment and recovery, community transition teams, and new models of addictions care.

Background:

- The Province is making changes to help keep British Columbians safe through the new Safer Communities Action Plan, a cross-government initiative that lays out concrete steps at the provincial level through enforcement and intervention services.

- The action plan includes immediate steps that will strengthen enforcement to keep those who commit repeat violent offences off our streets, and strengthen services to build safe, healthy communities for everyone.

- The action plan builds on work already underway by the provincial government to help break the cycle of repeat offending and build safe and healthy communities.

- Each initiative is structured to improve coordination between law enforcement, community service organizations, justice system actors, health providers and people who are recovering from addiction and mental-health challenges in a collaborative, coordinated approach.

- The action plan initiatives align with recommendations from several reports on community safety, including the Special Committee on Reforming the *Police Act*, the First Nations Justice Strategy and the Investigation into Repeat Offending and Random Stranger Violence.

Contact: Ardys Baker (PSB)	Phone: 778-974-4044	Mobile: Government Financial Information

2023/24 ESTIMATES NOTE — RCMP Funding

Suggested Response:

- It is my responsibility to ensure adequate and effective policing throughout the province.
- The Province continues to support RCMP operations, and as part of *Budget 23,* the Province provided a historical investment of $230 million over three years to help the RCMP hire officers to fill gaps in vacancies and reach it's authorized strength to address public safety head on.
- The funding will sustain and strengthen RCMP enforcement across B.C. and provide police with the resources they need in frontline policing and in specialized units that benefit municipalities, such as the Major Crimes Section and the B.C. Highway Patrol.

Background:

- B.C. residents receive policing from several different police agencies: the RCMP federal service, the RCMP provincial service, 65 RCMP municipal services, 12 municipal police departments and one First Nations Administered Police Service.
- Various policing agreements detail the cost-sharing between the provincial, municipal, and federal governments specific to each agreement.

<u>Provincial Service</u>

- Provincial Service Costs are cost shared at a 70:30 ratio (provincial / federal)
  - 2021/22 total costs: $649.4M ($456.6M provincial and $192.9M federal);
  - 2020/21 total costs: $602.1M ($421.5M provincial and $180.6.1M federal)
  - The year-over-year increase of $47.3M is attributed to the 2021/22 RCMP pay raise.
- The 2021/22 total provincial service authorized strength remains unchanged at 2,602.

<u>First Nations Policing</u>

- Dedicated policing for First Nations communities is primarily provided by the RCMP under the First Nations Community Policing Services program. The agreement has been extended to March 31, 2023 and is cost-shared at a 48:52 ratio (provincial / federal).
- The 2022/23 total authorized strength for First Nations policing under this agreement is 117.5 members with an approximate budget of $30.754M ($14.761M provincial and $15.922M federal).

- The 2023/24 estimated budget for First Nations policing is approximately $33.163M ($15.918M provincial and $17.245M federal).

Municipal Services - RCMP

- In 2021, 65 municipalities contracted with the Province for RCMP municipal police services.

- The 2021 adjusted authorized strength of the RCMP municipal services is 4,057 members. This includes adjusted strength figures for departments participating in Lower Mainland District Integrated Teams.

Independent Municipal Police Department Service

- 12 municipalities in B.C. are policed by 11 independent municipal police departments: Vancouver, West Vancouver, Victoria (also polices Esquimalt), Saanich, Central Saanich, Oak Bay, New Westminster, Abbotsford, Delta, Port Moody and Nelson.

- The 2021/22 adjusted authorized strength of the independent municipal police departments is 2,496 officers. This includes adjusted strength figures for departments participating in Lower Mainland District Integrated Teams.

Municipal - RCMP and Independent Police Department Service

- The 2021/22 total policing expenditures are $1.508 billion compared to total expenditures of $1.394 billion in 2020/21 with a combined adjusted authorized strength of 6,553 officers in 2021. This is the most current year for expenditure figures.

Total Policing Cost Share

- $2.282 billion is the 2021/22 cost share for policing between municipal, provincial, and federal governments. This is the most current year for expenditure figures.
  - $469 M Provincial or 21%
  - $1.508 billion Municipal or 66%
  - $305 M Federal or 13%

Contact: Billy Castillo (PSB)	Phone: 250 974 4718	Mobile: Government Financial Information

2023/24 ESTIMATES NOTE

Provincial Police Service Resource Levels and Vacancies

Suggested Response:

- Announced November 20, 2022, the Province has approved an unprecedented, multi-year investment of approximately $230 million to address existing gaps in staffing, allowing the Provincial Police Service to reach its full authorized strength of 2,602 members.

Provincial Police Service Overview as of April 1, 2023

Numbers include RCMP Member positions and Sworn Officer positions from other police agencies included in Annex A.

Provincial Police Service (PPS)	Current (April 1, 2023)*	5 Year Average (2018 - 2022)
Authorized Strength	2,602	2,602
Established Strength	2,512	2,539
Actual Strength	1987.5	2,069.4
Total Vacancies	524.5	469.5
Positions where Member is on leave	*312*	*273.4*
Vacant Positions	*212.5*	*196.2*

* Preliminary figures were used for the April 1, 2023 column. Final figures will be updated when made available from the RCMP.

Notes:

- Authorized Strength for Provincial Police Service. This is the number of positions the RCMP is authorized, by contract, to fill.
  (Authorized Strength is inclusive of Regular Member [RM], Civilian Member [CM], Special Constable [SCST] positions and Sworn Officer positions from other police agencies.)
- Established Strength for the Provincial Police Service.
  (Established Strength is the number of RCMP Member positions plus Sworn Officer positions from other police agencies, identified above)
- Actual Strength for Provincial Police Service is a point in time calculation of the number of Member positions occupied by an employee (inclusive of Surplus to Establishment[1] (STE) positions, *and the Sworn Officer positions*)
- Total Vacancies includes'Positions where Member is on leave' and 'Vacant Positions'
  - *'Positions where Member is on leave' include positions currently where incumbents are off-duty sick, on parental leave, suspended, leave without pay or other administrative leave-related reasons*
  - *'Vacant Positions' include positions currently vacant.*

- The number of RCMP Provincial Police Service vacancies continues to be a concern for the provincial government. The Policing and Security Branch continue to work with E-Division RCMP and our national partners at the Contract Management Committee table to address issues pertaining to vacancies, including mitigation and supply strategies.

[1] Surplus to Establishment is a position occupied by a Member, but is not included in the Established Strength.

- In December 2021, the Policing and Security Branch initiated additional reviews of service delivery levels at the District Officer level. The intent of these reviews was to provide greater clarity on issues at both the district and community level, not caputure by existing reporting that may be adversely impacting service delivery levels.

- This initiative also included a review of the impact year-over-year 'status quo' budgets have on the Provincial Police Service and the RCMP's ability to provide and maintain 'adequate and effective' service delivery levels throughout BC.

- Results of this initiative showed:
  - As of December, 2022, the point in time roadable[2] rate for BC RCMP core policing is approximately 80%;

  - The impact to public safety and officer wellness, particularly at smaller detachments (<15 Members) can be significant when detachments are not adequately staffed.

- Impacts to the Provnicial Police Service resulting from the erosion of the status quo budget create multiple pressures within the provincial service, such as:
  - Inability to fully fund to the Authorized Strength of 2,602;

  - Staffing actions being frozen in order to fund pressures across the provincial service and;

  - Inability to provide or maintain capital assets (detachments, vehicles/vessels/aircraft) to current industry standards.

- Following the $230M Provincial Investment announcement in November 2022, Ministry staff immediately engaged with RCMP 'E' Division in identifying and prioritizing the vacancies and resource pressures in specialized functions, such as Major Crime Section and BC Highway Patrol, as well as at front-line provincial detachment units.

- This funding will address existing gaps in staffing, allowing the Provincial Police Service to reach its full authorized strength of 2,602 members. It is important to note that this funding comes into effect April 1, 2023 and is not an increase in new member positions, beyond the authorized strength of 2,602 members.

Background:

- The Provincial Police Service Annex A authorized strength has remained at 2,602 since the signing of the 2012 Provincial Police Service Agreement. In 2021, RCMP and the Policing and Security Branch staff reconciled the established strength of Annex A. As of April 1, 2023 the established strength is 2,512 (a decrease of 0.4% from last year).

[2] Actual Strength minus members on Gradual Return to Work, Pregnant While Working, Medical Leave, Parental Leave, and other types of Administrative Leave

- The majority of hard/soft vacancies for the Provincial Police Service (approximately 365 on average in the last five years out of 470) were held in positions located at B.C. RCMP Headquarters.

- Established, Actual, and Hard/Soft Vacancy counts are point in time numbers. Vacancy rates include adjustments to account for Surplus to Establishment positions.

- Some hard vacancies are positions that may be occupied by Municipal Police Department and/or Organized Crime Agency police officers; however, the RCMP do not consistently track or report on these. The RCMP also do not consistently "establish" positions for each "authorized" position, making the tracking of vacancy numbers challenging. Efforts are underway to resolve this issue as part of the Annex A reconciliation.

- By comparison, federal policing in B.C. has an average annual vacancy rate (hard/soft) rose to its 5 year high of 35.4% in 2019, before decreasing to 31.1% in 2021 (or 367, 300 hard/soft vacant positions, respectively). The rate has increased in 2022 to 33.3% with 317 vacant positions.

- BC Municipal RCMP policing had a 5% growth in established RM/CM/SCT positions over the last five years (from an annual average of 3,948 in 2018 to 4,131 positions in 2022). Municipal RCMP vacancy (hard/soft) rates improved from an annual average of 9.6% in 2018 (or 379 positions) to 8.5% in 2019 (or 341 positions). However, 2021 saw the highest increase of 52% rising from 375 to 572 vacant positions and a further increase to 759 in 2022.

- The additional reviews initiated in December 2021, examined service delivery levels across all RCMP business lines – Federal, Provincial, Municipal and First Nations Inuit Policing Program. They also included a review of the impact year-over-year 'status quo' budgets have had on the Provincial Police Service and the RCMP's ability to provide and maintain 'adequate and effective' service delivery levels throughout B.C.

- Early analysis shows that the rising cost of policing (salaries, operational, and maintenance costs), inflation, realized and potential impacts from unionization are directly affecting service delivery levels. Impacts to the Provincial Police Service resulting from the erosion of the status quo budget create multiple pressures within the PPS, including but not limited to:
  - Inability to fully fund to the Authorized Strength of 2,602;
  - Staffing actions being frozen in order to fund pressures across the service and;
  - Inability to provide or maintain capital assets (detachments, vehicles/vessels/aircraft) to current industry standards.

Contact: Katherine St Denis (PSB)	Phone: 778-572-3401	Mobile: Government Financial Information

Policing Modernization

Suggested Response:

- The current model for policing in B.C. is significantly challenged. Costs are increasing for all levels of government and events involving police use of force and the heightened lens on systemic racism in policing across North America have implications for public confidence in policing.

- Everyone deserves to be treated fairly by the police, and our government acknowledges that this has not always been the case for many including Black, Indigenous, and other people of colour.

- The government also recognizes that police officers require a modern policing structure that provides greater clarity for their roles. Expectations on front-line police have grown and B.C.'s policing and public safety model needs to reflect communities' current and future needs.

- The government received the report of the Special Committee on Reforming the *Police Act* on April 28, 2022. The report is significant and represents almost two years of intense effort on behalf of the committee. The recommendations in the report include:
  - Co-developing new policing and oversight legislation with Indigenous and municipal leaders, and establishing a single complaints oversight body;
  - Replacing the RCMP with a new B.C. provincial police service and permitting regional or amalgamated police services;
  - Reforming policing and public safety funding models; and
  - Reforming mental health and addictions first response services.

- The ministry has also been monitoring policing reform developments and recommendations from across the country (e.g., recommendations of the Mass Casualty Commission and Alberta's initiative to create a new provincial police service).

- The ministry is advancing the policing and public safety modernization initiative, including work to respond to the Special Committee's recommendations, using a phased approach.

- A phased approach will provide time to meaningfully engage and consult on development of new policing and oversight legislation and do the analysis required so government can make informed decisions on a new police oversight agency and a potential new provincial police service.
  - Phase one includes advancing some interim changes to the current *Police Act* as a first step towards broader modernization in fall 2023. Also as part of this phase, the ministry is commencing comprehensive and broad engagement with partners and stakeholders

on policy that will form the foundation of new policing and public safety legislation.

- Based on government's review of the results of the consultation, as part of the second phase, decisions will be made on new co-developed legislation (co-development with Indigenous Peoples and local governments), a new police oversight agency, and any transition to a new provincial police service in late spring 2023-2025/26.

- The final phase involves the introduction of new legislation and beginning to operationalize any new provincial police service and oversight agency targeted for 2026.

Background:

- On July 8, 2020, the Legislative Assembly appointed a Special Committee on Reforming the *Police Act* in response to protests against police-involved deaths and calls to "defund" the police. The Special Committee's Terms of Reference included:
  - inquiring into and making recommendations related to systemic racism in policing;
  - the role of police in mental health and addictions response;
  - reforms related to police education, training, and service delivery; and
  - ensuring that a modernized *Police Act* is reflective of the UN Declaration on the Rights of Indigenous Peoples.

- The Province has a vision to create an equitable, efficient, and accountable policing and public safety model that meets the needs of all British Columbians.

- The ministry will advance changes to the existing *Police Act*, as a first step towards broader modernization and development of new policing and oversight legislation, to address some issues from the Special Committee and gaps identified in previous reports on topics related to governance and oversight.

- Since the Special Committee report was released, the Policing and Security Branch has initiated ongoing engagement with:
  - Local Government Policing Modernization Roundtable (co-chaired with UBCM)
    - First meeting held in May 2022; monthly meetings since then.
  - BC Association of Chiefs of Police Sub-Committee on Policing Modernization
    - First meeting held in October 2022; monthly meetings since then.
  - RCMP 'E' Division leadership
    - Ongoing monthly meetings.
  - Provincial Committee on Diversity and Policing, and Multicultural Advisory Council

    - Ongoing meetings.

  - Indigenous leadership organizations
    - Preliminary engagement in spring 2022 to co-develop engagement strategy.

    - Ongoing meetings with First Nations Leadership Council and First Nations Justice Council since then.

  - Office of the Police Complaint Commissioner and Office of the Human Rights Commissioner
    - Ongoing meetings.

- Since the Special Committee report was released, the Policing and Security Branch has invited engagement on the overall modernization initiative and consultation on the interim changes to the *Police Act* with:
  - Modern Treaty Nations

  - 204 First Nations

  - Aboriginal Friendship Centres

  - Independent Investigations Office

  - Police Association

  - BC Association of Police Boards, and some Mayors who chair police boards

<u>Budget Items</u>

- To support the significant scope and generational impacts of the policing modernization work, the Policing and Security Branch received funding for the following items:
  - New resources in Policing and Security Branch (five new FTEs, travel to support engagement, transfers): **$1.688M**

  - Capacity funding (contingencies) for participating Indigenous communities: up to **$1.086M**

  - Consultation contract (contingencies) to design engagement, provide facilitation support for Indigenous Rights holders, Modern Treaty nations, BIPOC and community advocacy groups: **$409K**

  - Contract funding (contingencies) to support community-led engagement: **$500K**

  - Base Budget lift to fund HealthIM: **$3.474M**

- Contract (contingencies) to support analysis on the Special Committee recommendation related to police oversight: **$100K**

Contact: Ardys Baker (PSB)	Phone: 778-974-4044	Mobile: Government Financial Information

2023/24 ESTIMATES NOTE

Surrey Policing Model Transition

Suggested Response:

- Prior to the City of Surrey's 2022 decision to retain the RCMP as its police model, the City had made considerable advancement in its transition from RCMP policing to the Surrey Police Service (SPS), having achieved several key milestones, a significant deployment of SPS Officers as well as demobilization of RCMP Members from the detachment.

- The policing transition in the City of Surrey is unprecedented and incredibly complex. A full and in-depth analysis is required to ensure public safety, as this matter affects not only policing in Surrey, but across the province.

- As Minister, it is my responsibility to determine whether an adequate and effective policing could be maintained across the province, and specifically in Surrey, based on the plans submitted by the City and RCMP.

- The stability of policing is foundational to ensuring my provincial responsibility, and public safety continues to be our core driving principle.

<u>If asked about the current transition status:</u>

- The SPS has hired over 390 sworn officers and civilian support staff. Of these, about 330 are sworn officers, including 25 new recruits currently in various levels of training.

- 205 SPS officers have been operationally deployed into the Surrey RCMP and over 160 RCMP Members demobilized as part of phase 1 of the integrated transition period. SPS officers comprise just over 25% of the Surrey RCMP's local detachment authorized strength (785 officer positions) and about 50% of Surrey RCMP's front-line resources.

- In addition, 14 SPS officers completed their recruit training in March 2023 and were recently added to the Surrey RCMP's complement.

Background:

- BC's *Police Act* requires municipalities with a population over 5,000 to provide policing by one of three model options: their own municipal police department, contracting RCMP municipal services, or contracting with a municipal with a municipal police department.

- In November 2018, then Surrey City Council made a decision to establish its own municipal police department.

- The Policing and Security Branch's (PSB) Policing Model Transition Secretariat was established in Spring 2019 to provide leadership and ensure provincial accountabilities resulting from this decision.

- Following the Ministry's review and analysis of the City's Plan as well as a report from the Provincial Municipal Police Model Transition Study Committee (PMPTSC), the Minister provided approval under s.23(1) of the *Police Act* to the City in February 2020.

- Since that time, the City has been implementing the transition away from RCMP municipal policing and to SPS and several milestones have been achieved.

- PSB's Policing Model Transition Secretariat continues to play an active role in the City's policing transition, including providing leadership in ensuring provincial accountabilities and responsibilities as well as contract management functions resultant from the City's *Municipal Police Unit Agreement* and the provincial/federal *Municipal Police Services Agreement*.

- Following municipal elections in 2022, a new Surrey City Council made a municipal decision to retain the RCMP as its policing model, which would effectively require reversing its current police model transition.

- To support Ministerial consideration of the City's decision, the Minister requested the City submit a detailed transition reversal plan. The Director of Police Services also requested a plan from the RCMP outlining how, if retained as the City's police model, the Surrey RCMP would be re-staffed in consideration of the broader BC RCMP vacancy issues and resourcing needs.

- To provide contextual information on the transition to SPS, the Director also requested SPS provide a status report on its progress toward becoming the City's police agency of jurisdiction.

- Current Status (April 5, 2023):
    - All submissions were received by the Ministry in mid-December 2022.
    - Resultant from a PSB staff review of the submissions, the Director of Police Services requested additional information and/or clarification on identified priority areas.
    - Supplemental submissions were received in mid-February 2023.
    - PSB staff conducted a comprehensive review and analysis of the plans/report, including the supplemental submissions.

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2023/24 ESTIMATES NOTE ICBC Financial Update

Suggested Response:

- ICBC forecasts a net loss of $298M for fiscal 2022/23 compared to a net income of $2.2B for fiscal 2021/22 and planned net income of $327M for fiscal 2022/23.
- The forecasted net income for 2022/23 is $625M lower than plan, which is mainly due to investment losses that are driven by global market volatility as inflation and interest rates increase.
- Investment income for fiscal 2022/23 is substantially lower than plan. An economic slow down is forecast through 2023/24, and therefore, investment income is forecast to be lower. Recovery from the downturn is expected through FY 2024/25 and onwards.
- Fiscal 2022/23 overall claims costs have increased primarily due to higher injury and material damage costs due to inflationary pressures. This is partially offset by lower current year Enhanced Care claims and a higher discount rate for unpaid claims.

Background:

Year-to-Date Net Income

- ICBC's Q3 results to December 31, 2022, is a positive net income of $189M for the first nine months of its fiscal year (April 1 to December 31, 2022), which is $1.5B less than the net income of $1.7B posted for the same period last year.
- The year-end forecast net loss of $298M reflects a $340M bond impairment that is expected in the fourth quarter, which is not reflected in the December 31, 2022, year-to-date result.
- The impairments are "paper" losses as these investments are still owned by ICBC and are not recorded in actuals until they meet the prolonged or significant impairment criteria[1]. If market values improve, the impact of the impairment on the financials may be reversed.

Q3 2022/23 Outlook as Compared to Full Year Plan

- 2022/23 outlook is a net loss of $298M versus plan net income of $327M; which is $625M lower than plan as a result of:
  - Investment income: $645M lower than plan due to impairments from bond and equity funds, trading losses on bonds, and lower than expected equity distributions;

[1] An impairment is recorded when an investment asset's market value has declined by more than 20% of its cost, or when an investment asset's market value is lower than its cost for 15 consecutive quarters.

- Claims costs: $82M - Unfavourable for both current year and prior years' claims. Material Damage costs are higher than expected due to inflationary pressures resulting in higher parts and labour costs as well as delays in repairs and settlements. Large bodily injury claims from past years under the legal-based product have emerged higher than expected. This is partially offset by a higher (favourable) rate to discount claims and lower than plan claims emergence for Enhanced Accident Benefits;

- Operating Costs: $65M lower than plan due to lower full time equivalents ("FTE's) and lower pension expense;

- Premium revenue: $25M higher than plan primarily due to higher average Optional premium as older vehicles are replaced with newer, more expensive vehicles; and

- Service fees and other: $16M higher than plan due to increases in the payment plan financing fee as a result of increases in the prime rate.

- Substantial risks to the estimated cost of claims remain, which could affect the 2022/23 fiscal year net income. The risks primarily relate to further development of old product injury claims including large bodily injury claims emergence; the Enhanced Care product outcomes; and a court challenge to the minor injury cap. The successful appeal on the July 2022 Evidence Act decision may provide a favourable impact.

<u>Forecast</u>

- Approximately $9B in claims is still open from crashes that occurred under the previous legal-based insurance model. These outstanding claims, about $6B of which are complex and high-risk, remain a significant liability.

- For fiscal 2023/24, ICBC is projecting a nil ($0) net income, and then returning to profitability of $450M in 2024/25 and 2025/26. The forecast recognizes the possible economic slowdown in fiscal 2023/24 continuing to impact investment returns through the year and expected steady recovery of investment returns in 2024/25 and thereafter.

- Claims severity (cost of a claim) is projected to increase over the forecast period for all coverages. Inflation for replacement parts and increased technology in vehicles, combined with a rising cost of labour, will continue to drive up the cost of material damage claims. General inflation will contribute to an upward cost trend for Enhanced Care claims, as accident benefits are indexed to the BC Consumer Price Index.

- ICBC continues to manage the company efficiently as indicated by the low expense ratio of 23.4%[2] in FY 2021/22, which continues to be significantly lower than the industry

[2] The Relief Rebate ($396M) resulted in a lower earned premium for FY 2021/22 and a higher operating expense ratio. Excluding the rebate, the 2021/22 ratio would be lower (21.6%).

benchmark of 31.5%. ICBC's FY 2022/23 operating expense ratio is forecast to be 20.9% and is inclusive of 3.4% for non-insurance services, which other insurance carriers do not have.

Capital Levels

- Similar to other insurance organizations, the overall financial health and position of the Corporation are monitored through a number of standard industry metrics. Under the capital management framework, both its management operating targets and its regulatory minimums are taken into consideration to ensure that capital reserves are adequate to protect policyholders from financial risk, while maintaining rates as low as possible over the long term.

- Given amendments to Special Direction IC2, ICBC has delayed updating its Capital Management Plan until the next Revenue Requirements Application due in December, 2024. As well, the requirement to set the Basic rate in a manner that allows ICBC to maintain a Minimum Capital Test of 100% was suspended for 2023/24 and 2024/25.

- ICBC uses the Office of the Superintendent of Financial Institution's Minimum Capital Test measurement framework to assess whether it has sufficient capital levels to protect policyholders from financial risk and to provide long-term stability. The 2021/22 actual Minimum Capital Test ratio was 99% and the 2022/23 forecast Minimum Capital Test ratio is lower at 91%, due to lower investment market values and returns.

- After several years of consecutive losses, capital levels began to recover in 2020/21 and 2021/22, due to higher investment income, lower than expected claims costs (pre-Enhanced Care), and the capital build component in the Basic rate.

- ICBC is rebuilding its capital with a 7% constant capital provision built into Basic rates.

- As the global investment markets recover in the future, ICBC's capital levels are to expected to grow further.

- If the global investment markets improve sooner, then actual results will be better than forecast.

- Basic capital levels will also benefit from the capital provision built into the Basic rate.

- Optional capital levels are currently below targets and expected to recover at a moderate rate, as we exit 2023/24.

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MINISTER ADVISORY NOTE
AS OF APRIL 6, 2023

ISSUE: BC PUBLIC SERVICE COVID-19 VACCINATION POLICY

ADVICE AND RECOMMENDED RESPONSE:

- **The vaccination policy introduced in 2021 was an appropriate and important step to help ensure the workplace health and safety of public service employees.**

- **Almost 99% of employees complied with the policy, which helped ensure continued delivery of uninterrupted services to the public.**

- **The BC Public Service Agency took a cautious approach in maintaining the policy through the winter respiratory illness season, but the policy has now been rescinded in full as of April 3.**

SECONDARY MESSAGES:

- **A total of 314 public service employees were terminated for non-compliance with the policy. These employees can reapply on open job competitions to return to the public service if they wish.**

- **Employees who were on leave without pay or with approved accommodations were provided the opportunity to return to work once the policy was rescinded.**

- **A small number of those employees, whose positions are covered by a PHO order, were not able to return to their positions and were put in a placement process. Where one of these employees was previously placed into a new position, they will remain in that position.**

CURRENT STATUS:

- On March 10, 2023, government announced HR Policy 25, the COVID-19 vaccination policy, would be fully rescinded effective April 3, 2023.

- The related regulation under the Public Service Act establishing the policy as a condition of employment is also repealed effective April 3, 2023.

- The Minister has also approved related policy updates to also remove the requirements for non-employees such as contractors to be vaccinated to enter public service workplaces.

- Prior to the policy being rescinded: 89 employees were currently on leave without pay for non-compliance; 55 were currently working from home with an approved exemption; 82 had an approved exemption to HR Policy 25 and were awaiting placement into an alternative role or were awaiting a decision regarding their exemption request; and 30 employees with approved exemptions to HR Policy 25 had been placed into alternative roles.

KEY FACTS REGARDING THE ISSUE:

- HR Policy 25, the COVID-19 vaccination policy, took effect November 22, 2021, requiring employees of the BC Public Service to provide proof of vaccination or be put on unpaid leave and face potential termination.

- A regulation under the Public Service Act established the policy as a condition of employment and that an employee terminated under the policy is deemed to have been dismissed for just cause.

- Terminations under HR Policy 25 were suspended on October 31, 2022, pending the Public Service Agency's reconsideration of the policy.

- A small number of BC Public Service employees are still required to be vaccinated because they work in locations prescribed in the Provincial Health Officer (PHO) order requiring vaccination in healthcare settings.

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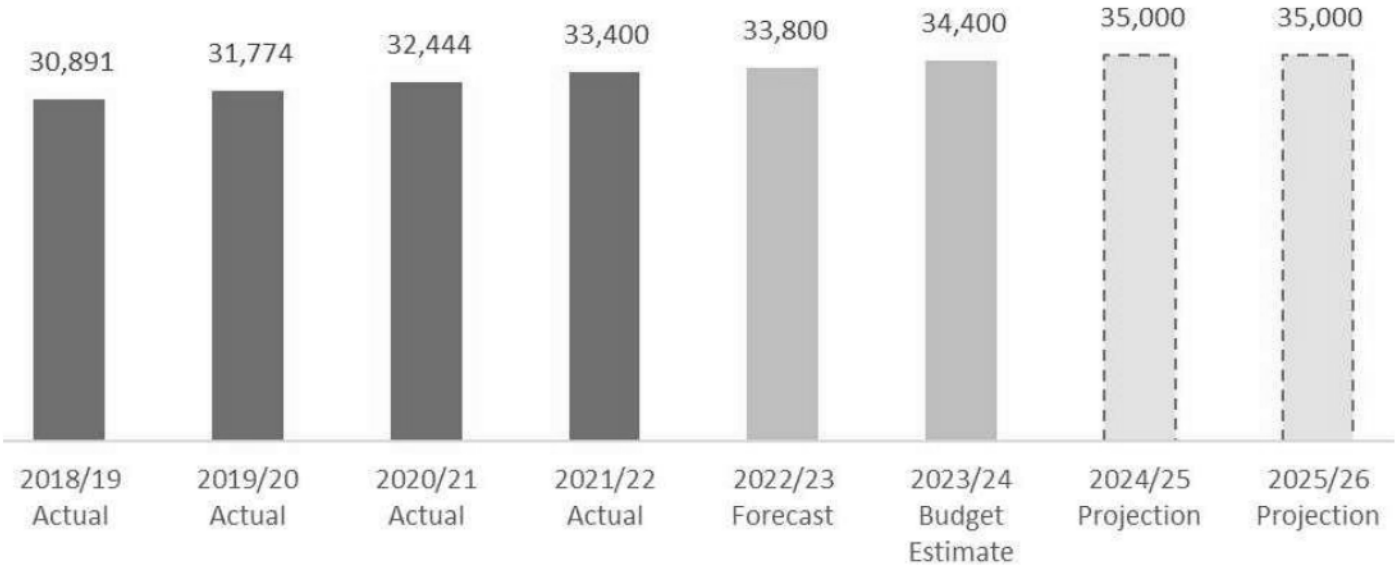
MINISTER ADVISORY NOTE
AS OF MARCH 10, 2023

ISSUE: FULL-TIME EQUIVALENT GROWTH IN THE BC PUBLIC SERVICE

ADVICE AND RECOMMENDED RESPONSE:

- **Full-time equivalent (FTE) staff utilization in core government ministries is projected to increase from a forecast of 33,800 in 2022/23 to 34,400 in 2023/24, an increase of 600 FTEs.**

- Public Service Full-Time Equivalents (FTE) Evolution
- # of FTEs, FY19-22 Actuals, FY23-26 Projections



Advice/Recommentations

CURRENT STATUS:

The table below summarizes what was reported in the Budget and Fiscal Plan on Budget Day (February 28, 2023).

Table A13 Full-Time Equivalents (FTEs) – 2016/17 to 2025/2026 [1]

	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Updated Forecast 2022/23	Budget Estimate 2023/24	Plan 2024/25	Plan 2025/26	Average annual change
Taxpayer-supported programs and agencies:											(per cent)
Ministries and special offices (CRF)	27,940	29,291	30,891	31,774	32,444	33,400	33,800	34,400	35,000	35,000	2.5
Service delivery agencies [2]	4,850	5,076	5,258	5,985	6,042	6,698	7,909	8,693	8,797	8,724	6.7
Total FTEs	**32,790**	**34,367**	**36,149**	**37,759**	**38,486**	**40,098**	**41,709**	**43,093**	**43,797**	**43,724**	3.2
Growth rates (per cent):											
Ministries and special offices (CRF)	2.8	4.8	5.5	2.9	2.1	2.9	1.2	1.8	1.7	0.0	2.6
Service delivery agencies	1.0	4.7	3.6	13.8	1.0	10.9	18.1	9.9	1.2	-0.8	6.3
Population per FTE: [3]											
Total FTEs	148.2	143.4	138.6	134.9	134.0	130.1	127.4	125.4	125.2	127.2	-1.7

[1] Full-time equivalents (FTEs) are a measure of staff employment. FTEs are calculated by dividing the total hours of employment paid for in a given period by the number of hours an individual, full-time person would normally work in that period. This does not equate to the physical number of employees. For example, two half-time employees would equal one FTE, or alternatively, three FTEs may represent two full-time employees who have worked sufficient overtime hours to equal an additional FTE.

[2] Service delivery agency FTE amounts do not include SUCH sector staff employment.

[3] Population per FTE is calculated using July 1 population (e.g. population on July 1, 2022 divided by 2022/23 FTEs).

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MINISTER ADVISORY NOTE
As of APRIL 24, 2023

ISSUE: EXECUTIVE COMPENSATION

ADVICE AND RECOMMENDED RESPONSE:

- **Salaries for all Executive positions reflect a combination of the scope and impact for their position, their experience and performance in the position. The scope and impact of the role determines the level assignment for the position and the performance of an individual, their experience and any unique skills they may bring to the job determines their salary level within the salary band.**

- **All executive compensation decisions (including acting assignments) must be managed through the Public Service Agency, Executive Talent Management Branch and require the recommendation of the Deputy Minister, BC Public Service Agency and approval by the Deputy Minister to the Premier.**

- **Compensation planning for excluded and executive employees within the BC public sector, including the public service, must comply with the direction provided by the Public Sector Employers' Council (PSEC) Secretariat. Compensation planning includes the types of compensation offered, the way the compensation is paid, and when employees would be eligible to receive salary increases and performance pay.**

- **The Executive Compensation Plan is comprised of 8 bands. This includes one Executive Lead band, two Assistant Deputy Minister bands, one Associate Deputy Minister band, three Deputy Minister bands and one band for the position Deputy Minister to the Premier, Cabinet Secretary and Head of the Public Service. The current maximum achievable salaries (effective April 1, 2022) for executives in the BC public service are:**

Deputy Minister to the Premier, Cabinet Secretary and Head of the Public Service	$377,200
Deputy Minister 3	$323,800
Deputy Minister 2	$303,000
Deputy Minister 1	$281,300
Associate Deputy Minister	$248,900
Assistant Deputy Minister 2	$221,800
Assistant Deputy Minister 1	$200,200
Executive Lead	$156,900

- **In other Canadian jurisdictions, the maximum of the salary range is fully utilized with most executives compensated at or near the top of the range. BC is unique in that there tends to be a wider range of compensation and complexity levels differentiating both Assistant Deputy Ministers and Deputy Minister positions. Very few executive positions in the BC public service are compensated at the maximum of the salary range, and these positions are primarily within the Assistant Deputy Minister range.**

SECONDARY MESSAGES:

Position within the Range	Ineffective	Developing	Solid Performance	High Achievement	Exceptional Circumstances
Above range mid-point	0%	Up to 1%	Up to 2%	Up to 4%	Up to 10%
Below range mid-point	0%	Up to 1.5%	Up to 3%	Up to 5%	Up to 10%

Note: In-range adjustments are subject to government expenditure restrictions. All increases will be reported to PSEC Secretariat and advance approval will be obtained where necessary.

- **Providing larger increases to those below the range mid-point recognizes the steep learning curve at the beginning of the placement into a given level. Limiting increases to those above the range mid-point ensures the maximum is not reached too quickly, while still encouraging performance.**

- **Exceptional rating may apply when either a significant mandate expansion occurs or an extraordinary event takes place during the fiscal year, and the performance demonstrated by the executive. Application of this rating category must be supported and approved by the Deputy Minister to the Premier.**

- **The performance assessment for Executive Leads, Assistant Deputy Ministers, and where appropriate, Associate Deputy Ministers, is presented by the supervising Deputy Minister to a review panel chaired and facilitated by the Deputy Minister to the Premier and the Deputy Minister, Public Service Agency. The Deputy Minister to the Premier conducts the performance assessments of Deputy Ministers and where appropriate, Associate Deputy Ministers.**

MINISTER ADVISORY NOTE

CURRENT STATUS:

- An increase to salary ranges is currently being reviewed for 2023.
- Performance based in-range compensation increases are currently under review for the 2022/23 performance year. The BCPSA continues to monitor any potential issues related to executive compensation.

KEY FACTS REGARDING THE ISSUE:

- No Deputy Ministers in BC are compensated at or near the maximum of the salary range. The average executive salaries (excluding acting) as of March 8, 2023, are:

Deputy Minister to the Premier and Cabinet Secretary	$325,000
Deputy Minister 3	$295,365
Deputy Minister 2	$274,091
Deputy Minister 1	$246,136
Associate Deputy Minister	$211,279
Assistant Deputy Minister 2	$193,974
Assistant Deputy Minister 1	$167,824
Executive Lead	$146,283

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MINISTER ADVISORY NOTE
AS OF MARCH 10, 2023

ISSUE: EXECUTIVE SEVERANCE

ADVICE AND RECOMMENDED RESPONSE:

- **During the 2022/23 fiscal year, 6 executives departed the public service and received a severance settlement.**

- **Total cost of executive severances paid in 2022/23 (as of March 10, 2023): $1.95M**

- **Severance amounts for senior executives, i.e. Deputy Ministers and Associate Deputy Ministers, are specifically set out in the Employment Termination Standards Regulation of *the Public Sector Employers Act.***

- **Also as provided in the Employment Termination Standards Regulation, severances for all other public service employees, including Assistant Deputy Ministers, are determined based on common law factors, including age and years of service.**

CURRENT STATUS:

- In 2022/23 (as of March 10, 2023), total excluded severance costs across government were $6.48M.

KEY FACTS REGARDING THE ISSUE:

- The table below outlines the costs of executive severance paid during the fiscal year 2022/23 (as of March 10, 2023):

Name	Total Severance Paid	Details
Amber Hockin Deputy Chief of Staff Premier's Office	$ 189,291	Personal Information
Arif Lalani Assistant Deputy Minister Ministry of Agriculture and Food	$ 130,960	
Danine Leduc Assistant Deputy Minister Ministry of Labour	$ 264,964	
Geoffrey Meggs Chief of Staff Premier's Office	$ 339,784	
Lori Wanamaker Deputy Minister to Premier & Cabinet Secretary Premier's Office	$ 591,089	
Donald Zadrevec Deputy Minister Ministry of Finance	$ 432,381	
TOTAL	**$ 1,948,469**	

Government Financial Information

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MINISTER ADVISORY NOTE
AS OF APRIL 20, 2023

ISSUE: BC GOVERNMENT LAWYERS ASSOCIATION

ADVICE AND RECOMMENDED RESPONSE:

- **As there is a litigation by the BC Government Lawyers Association (BCGLA) before the courts and the BC Labour Relations Board (LRB), we aren't able to discuss the matter beyond the details we have shared with the media already.**
- **As the BCGLA's representatives have pointed out, the opportunity to join a union has not been denied to them – we support their right to association.**
- **We do have a statutory model in B.C. that was enacted decades ago to protect labour stability and public services for the people who rightly expect them – while also maintaining workers' rights – including these valued lawyers.**
- **We believe that granting the members of the BCGLA collective bargaining rights in accordance with the statutory model under the *Public Service Labour Relations Act* (PSLRA) is appropriate.**
- **Importantly, the proposed change by Bill 5 is to the existing Act, which was created to ensure BC public service professionals are able to participate in collective bargaining and ensures the public services people in B.C. rely on are protected.**

SECONDARY MESSAGES:

- Government Financial Information

Government Financial Information

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CURRENT STATUS:

- On November 29, 2022, the BCGLA filed an application to the LRB to be certified as a standalone bargaining unit under the Labour Relations Code. Govern ment Government Financial Information

Government Financial Information This matter is still pending before the LRB. The parties agreed to an adjournment pending the progress or status of Bill 5.

- The BCGLA filed a civil suit against Government (in Supreme Court of BC). Their litigation alleges a breach of their Charter right to exercise their freedom of association to be involved in collective bargaining. The suit, filed in September 2019, was scheduled to be heard in February 2023, however the BCGLA has asked the court to adjourn the matter pending their pursuit of the same issue before the LRB.

KEY FACTS REGARDING THE ISSUE:

- The BCGLA has been seeking attention to its years-long drive to be recognized as a standalone bargaining unit in the BC Public Service. The BCGLA represents approximately 350 government lawyers working in Legal Services Branch, for the Public Guardian and Trustee and in the Justice Services Branch.

- The 1973 PSLRA has three bargaining units: BC Nurses' Union, the BC General Employees' Union and the Professional Employees Association (PEA). The PSLRA excludes both Legal Counsel and Crown Counsel from belonging to a bargaining unit, Government Financial Information

- While the Province does not negotiate with Legal Counsel over their terms and conditions of employment, the Crown Counsel Association (CCA) is recognized in the *Crown Counsel Act* as the exclusive bargaining agent for its members and has a formal bargaining relationship with the Province, including the right to withdraw services. The CCA does not have full statutory collective bargaining rights, Government Financial Information

MINISTER ADVISORY NOTE

- Government Financial Information

- Both the PSLRA and the PSEA were created to ensure labour stability and the protection of public services.

- Government Financial Information

- In 2013, the BCGLA requested that the Province formally recognize it as the bargaining agent for all LSB Counsel so that it could negotiate its members' terms and conditions of employment. The BCGLA wants the same bargaining rights as the CCA.

- In its 2018 response to the BCGLA, the Province confirmed that it is only prepared to grant LSB Counsel access to collective bargaining rights by amending the PSLRA that would then allow them to have collective bargaining rights within the current structure of the PSLRA and by operation of law they would be able to join the bargaining unit for professional employees, the PEA.

- The offer to provide them with bargaining rights within the current structure of the PSLRA was reiterated to the BCGLA again, in writing, in 2019 and in late 2021, and verbally several other times. Government Financial Information; Legal Information

Government Financial Information; Legal Information

- On February 9, 2023, Bill 5- Amendments to the PSLRA was introduced by first reading to the Legislature.

- Government Financial Information; Legal Information

- On March 09, 2023, the BCGLA conducted a planned protest against Bill 5 at the legislature lawn.

- Government Financial Information

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MINISTRY OF SOCIAL DEVELOPMENT AND POVERTY REDUCTION
INFORMATION NOTE

ISSUE: Opposition Critic MLA Dan Davies in the SDPR Estimates debate on April 20, 2023 asked various questions about supports for home sharing providers.

RESPONSE:

- In 2019 the government increased funding for home sharing by $18.3 million over two years. Community Living BC (CLBC) used this funding to increase home sharing rates twice over two consecutive years, the last of which took effect on April 1, 2020. Prior to this, home sharing providers had not received an increase in rates for more than ten years.

- CLBC also paid out $16 million in emergency funding to support home sharing providers in the first year of the COVID-19 pandemic. Home sharing providers that took on additional responsibilities due to the pandemic received additional funding of between $500 and $1,500 per month from April to August 31, 2020.

- The 2023-24 budget recognizes the increasing costs of housing and raises the shelter rate for individuals receiving PWD by $125 per month. This increase will be passed along to home sharing providers when it comes into effect in August 2023.

- CLBC supported the creation of the Home Sharing Support Society BC, which is now a registered society with a board of directors and executive director. Self advocates, families, and home sharing providers are represented on the board and CLBC provides $400,000 in annual funding to support this important work.

- CLBC has reviewed its Individual Financial Payment Policy: Residential Services, which included looking at increasing costs experienced by individuals and home sharing providers to determine what is a fair amount for individuals to contribute. Any future shelter or support rate increases will be reviewed to determine the amount that should be retained by the individual or passed on to the home sharing provider.

- CLBC is doing additional research work for the ministry to ensure that the home sharing program continues to be successful.

MINISTRY OF SOCIAL DEVELOPMENT AND POVERTY REDUCTION
INFORMATION NOTE

ISSUE: Opposition Critic MLA Dan Davies in the SDPR Estimates debate on April 20, 2023 asked for an update on the list of projects in the Minister's Transition Binder that are being done to improve home sharing. He referred to the Office of the Auditor General's "failing audit on CLBC and its monitoring of home share programs."

RESPONSE:

The Ministry of Social Development and Poverty Reduction and Community Living BC (CLBC) welcomed the Office of the Auditor General (OAG) of B.C.'s audit of CLBC's home sharing program.

The OAG made five recommendations coming out of its audit:

1) We recommend that CLBC define what home sharing providers must do to further the quality-of-life outcomes stated in its contracts and define how CLBC staff should verify compliance.
2) We recommend that CLBC ensure that its monitoring framework enables staff to verify that home sharing providers align their services with quality-of-life outcomes and comply with all standards and service requirements stated in its contracts.
3) We recommend that CLBC implement policies and procedures that enable it to verify that home sharing agencies are monitoring home sharing providers against the contracted quality-of-life outcomes, standards, and service requirements.
4) We recommend that CLBC ensure that it has accurate and complete data on on-site monitoring visits, follow-up activities and critical incident response.
5) We recommend that CLBC ensure staff complete on-site visits, follow-up, and critical incident response, consistent with its policy requirements.

CLBC agreed with all five recommendations and developed comprehensive plans to achieve the objectives. CLBC has provided progress reports to the OAG, and at the time of reporting, three of the five recommendations have been completed. A response to a fourth recommendation has now been completed. CLBC remains committed to its plan to address the fifth recommendation.

As part of its broader home sharing improvement plan, CLBC has:

- Supported the creation of the Home Sharing Support Society BC to advance home sharing.
    - This organization has a board comprised of individuals living in home sharing, families that have a loved one living in home sharing, and providers of home sharing.
    - This organization receives $400,000 in annual funding from CLBC to support this important work.
- Undertaken work to bring an Indigenous lens to the service design, policy, practice, and delivery to assure the delivery of culturally safe and respectful services.
    - CLBC's Indigenous Relations team is working with key partners to further this work: British Columbia Association of Friendship Centres, Aboriginal Housing Management Association, Indigenous Community Leadership Development Society, Secwepemc Child and Family Service, Fraser Region Aboriginal Friendship Centre Association and Lil'Wat First Nation.
- Worked to design and implement a sustainable emergency home support/respite solution available provincially to alleviate pressure on home sharing providers.
- Reviewed policy and practice to assure alignment across shared living.
- Provided funding of $2.1 million to agencies to increase their capacity to expand home sharing.

MINISTRY OF SOCIAL DEVELOPMENT AND POVERTY REDUCTION
INFORMATION NOTE

Budget 2022 provided CLBC with $1.5 million on an annualized ongoing basis to put in place monitoring tracking and oversight systems and hire 12 Full Time Equivalent (FTEs) Analysts to create capacity to operationalize improvements.

TOPIC: Earnings Exemptions

KEY INFORMATION:

- Earnings exemptions allow people receiving income assistance or disability assistance to earn money from working in addition to the assistance they receive from the ministry.

- Earnings exemptions offer people a chance to increase their household income, remain connected to the workforce and community, and build valuable work experience.

- The earnings exemption for an income assistance client is determined monthly.

- The earnings exemption for a disability assistance client is calculated annually and is referred to as an annual earnings exemption (AEE).

- Hardship assistance clients are not eligible for an earnings exemption.

- Any earnings that fall under monthly or annual earnings exemption limits will not affect the amount of income or disability assistance provided. Any amounts that exceed these limits are taken into account when the amount of income or disability assistance is calculated.

- Budget 2023 provides $11 million over three years to increase earnings exemptions for income and disability assistance clients. These changes will become effective January 2024.

- The current monthly earnings exemption limit for a single person on income assistance is $500. Effective January 2024, the monthly earnings exemption limit for a single person on income assistance will be $600.

- The current annual earnings exemption limit for a single person on disability assistance is $15,000. Effective January 2024, the annual earnings

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exemption limit for a single person on disability assistance will be $16,200.

BACKGROUND:

Budget 2023 Increase (effective January 2024)

- An estimated 4,100 disability assistance cases or 3.3% of the disability assistance caseload will benefit from the increase in earnings exemptions.
- Approximately 6,600 income assistance cases, or 10% of the caseload, will benefit from the increase in earnings exemptions.
- Overall, about 7% of BCEA cases will benefit from the increase in earnings exemptions.
- For details on past earnings exemption increases by client category, see ADM Binder: Earnings Exemptions- Income & Disability Assistance.

STATISTICS:

- In 2022/23, 6,377 or 10.8% of expected-to-work cases declared income in at least one month over the year. The average amount declared was $665 per month.
- In 2022/23, 22,977 or 18.1% of disability assistance cases declared income at some time in the year. The average amount declared was $6,591 per year.
- Earnings exemptions have had a positive impact on client incomes, especially families with children:
    - In 2022/23, $151 million of earnings was declared by disability assistance clients, compared to $92 million in 2015/16.
    - In 2022/23, $140 million of earnings was exempted for disability assistance clients, or 92.6% of total earned income, compared to $90 million in 2015/16.
    - Earnings exemptions increased the total income for families with children by $30 million in 2022/23.

INTERJURISDICTIONAL COMPARISON:

Expected-to-Work (Income Assistance)

- Effective January 2024, BC's income assistance flat rate earnings exemption will be the highest in Canada. Currently, BC is second highest after New Brunswick.
- BC's exemption ends after the limit is reached. Most other provinces include a percentage exemption for income received that exceeds the amount of their flat rate exemptions.
- See rate comparison in Appendix A.

Persons with Disabilities (Disability Assistance)

- Yukon, Saskatchewan, Manitoba, and Quebec (Basic Income Program) are the only

other Canadian jurisdictions that provide an annual earnings exemption for persons with disabilities.

- BC's disability assistance flat rate annual earnings exemption for singles is currently the highest in Canada. The flat rate annual earnings exemption for couples/couples with children and single parent families is the second highest in Canada (2nd after Alberta).
- BC and Alberta have considerably higher exemptions than the other provinces. New Brunswick is the next highest, although considerably lower than BC and Alberta.
- BC's exemption ends after the limit is reached. Most other provinces include a percentage exemption for income received that exceeds the amount of their flat rate exemptions.
- See rate comparison in Appendix B.

BUDGET:

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals
Income Assistance	$10.9M	$13.4M	$13.0M
Disability Assistance	$129.4M	$155.5M	$140.2M
Totals	**$140.3M**	**$168.9M**	**$153.2M**

Source: Research Branch

Note: The above amounts are actual exempted earnings and represent foregone savings to the ministry.

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Appendix A: Expected to Work Earnings Exemptions

BC	**Single:** $500 per month. Effective January 2024: $600 per month. **Couple (no children):** $500 per month. Effective January 2024: $600 per month. **Parents (with children):** $750 per month. Effective January 2024: $900 per month.
AB	**Single:** $230 per month + 25% of remaining net earnings. **Couple:** $115 per adult per month + 25% of remaining net earnings.
SK	**Single:** $325 per month. **Couple (no children):** $425 per month. **Families:** $500 per month.
MB	$200 per adult per month + 30% of remaining net earnings.
ON	$200 per adult per month + 50% of remaining net earnings.
QU	**Single:** $200 per month. **Couple:** $300 per month.
NB	**Singles:** $500 per month + 50%. **More than one person:** $500 per month + 50%.
NS	100% on the first $250; 75% on the next $250; 50% on the next $250; 25% on amount over $750.
PEI	**Singles:** $250 per month + 30% of remaining net earnings. **Families:** $400 per month + 30% of remaining net earnings.
NF	**Single:** $75 per month + 20% of remaining net earnings. **More than one person:** $150 per month + 20 % of remaining net earnings.

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Appendix B: Persons with Disability Earnings Exemptions

BC	**Single:** $15,000 per year. Effective January 2024: $16,200 per year. **Couple, 1 PWD:** $18,000 per year. Effective January 2024: $19,440 per year. **Couple, 2 PWDs:** $30,000 per year. Effective January 2024: $32,400 per year.
AB	**Single:** $1,072 per month + 50% up to $2,009 ($1,541 maximum). **Couple (both adults AISH eligible)**: $1,072 per month + 50% up to $2,009 ($1,541 maximum) per adult. **Family/ Couple (One adult AISH eligible):** $2,612 per month + 50% up to $3,349 ($2,981 maximum). **Family (2 adults both AISH eligible):** One adult receives the single exemption; one adult receives the family exemption.
SK	**Single:** $6,000 per year **Couple:** $7,200 per year **Families:** $8,500 per year
MB	$200 per adult per month + 30% of remaining net earnings. Effective April 2023: $12,000 per year for singles, $18,000 per year for Couples/Families with Children.
ON	$1,000 per month +25% of remaining net earnings.
QU	**Single:** $200 per month. **Couple:** $300 per month. *Basic Income Program: $13,656 and 45% for the remaining net earnings.
NB	**Singles:** $500 per month + 50% of remaining net earnings. **More than one person**: $500 + 50% of remaining net earnings.
NS	100% on the first $350; 75% on the next $150; 50% on the next $250; 25% on amount over $750.
PEI	**Single and Families:** $500 per month + 30% of remaining net wages.
NF	**Single:** $150 per month + 20% of remaining net earnings. **More than one person:** $250 per month + 20% of remaining net earnings.

* On January 1, 2023, Quebec implemented the Basic Income Program. Social Solidarity Program (i.e., Disability Assistance) recipients who have been in receipt of assistance for 66 of the previous 72 months are transferred to this program.

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MINISTRY OF SOCIAL DEVELOPMENT AND POVERTY REDUCTION
RESEARCH, INNOVATION AND POLICY DIVISION
PROGRAM NOTES 2023/2024

TOPIC: Income and Disability Assistance Rates

KEY INFORMATION:

- On August 1, 2023, the maximum shelter allowance for income and disability assistance clients will increase by $125 per family unit– the first increase to maximum shelter rates since 2007. This increase will benefit over 160,000 people (122,000 cases).

- Government has allocated $499M over the next three years:
  - $131M in 2023/24
  - $183M in 2024/25
  - $185M in 20216/26

- Effective May 1, 2022, a minimum shelter allowance was established to provide additional funds to help persons experiencing homelessness meet their expenses. Government allocated $11M annually in Budget 2022 (2022/23 to 2024/25) to support this initiative.

- In April 2021, monthly income and disability assistance support rates increased by $175 per adult– the largest single increase in B.C.'s history and the third increase since October 2017. This increase benefits over 224,000 people, including 46,000 children.

- Effective August 2023 (payments issued in July), the monthly rate will be up to $1,060 for a single person on income assistance and up to $1,483.50 for a single person on disability assistance.

- BC's income assistance rate for singles will be the second highest and disability assistance rates for singles will be the third highest in the country.

- People who receive income assistance or disability assistance may also receive other supports and benefits such as subsidized housing, dental and optical care for children, free Pharmacare, and employment services through WorkBC Employment Services.

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BACKGROUND

Cumulative Rate Increase

- On August 2023, the rate for a single individual will have increased by $450 per month since September 2017, an increase of 74% for income assistance and 44% for disability assistance.

2023 Shelter Rate Increases

- Effective August 1, 2023, monthly income and disability assistance shelter rates will increase by $125 per case, from $375 to $500 per month for a single sheltered person.
- A minimum shelter allowance was implemented in May 2022 as part of government's Homelessness Strategy (See Minister's Binder Program Note: Homelessness Initiatives).

2021 Support Rate Increases

- Effective May 1, 2021, monthly income and disability assistance support rates increased by $175 per eligible adult.

2019 Support Rate Increases

- Effective April 1, 2019, monthly income and disability assistance support rates increased by $50 per eligible adult.

2017 Support Rate Increases

- Effective October 2017, monthly income assistance support rates increased by $100 per family and disability assistance rates increased by $100 per family member with the PWD designation.

BUDGET:

- $11M/year has been allocated to support the minimum shelter allowance.

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INTERJURISDICTIONAL COMPARISON:

Monthly Rates - Single Individuals

Effective February 1, 2023

Province	Employable	PPMB	PWD
British Columbia	**935.00**	**985.00**	**1,358.50**
Alberta	790.00	919.00	1,787.00
Saskatchewan	915.00	915.00	1,391.00
Manitoba	771.00	1,068.00	1,068.00
Ontario	733.00	733.00	1,228.00
Quebec	770.00	1,205.00	1,205.00
New Brunswick	593.00	636.00	832.00
Prince Edward Island	1,401.00	1,401.00	1,551.00
Nova Scotia	686.00	950.00	950.00
Newfoundland & Labrador	781.00	781.00	781.00
BC RANK	**2**	**4**	**4**

Note: On January 1, 2023, Quebec implemented the Basic Income Program. Social Solidarity Program (i.e., Disability Assistance) recipients who have been in receipt of assistance for 66 of the previous 72 months are transferred to this program. Rates associated with this program are not included here.

Monthly Rates - Single Individuals

Effective August 1, 2023

Province	Employable	PPMB	PWD
British Columbia	**1,060.00**	**1,110.00**	**1,483.50**
Alberta	790.00	919.00	1,787.00
Saskatchewan	915.00	915.00	1,391.00
Manitoba	771.00	1,068.00	1,068.00
Ontario	733.00	733.00	1,228.00
Quebec	770.00	1,205.00	1,205.00
New Brunswick	593.00	636.00	832.00
Prince Edward Island	1,401.00	1,401.00	1,551.00
Nova Scotia	686.00	950.00	950.00
Newfoundland & Labrador	781.00	781.00	781.00
BC RANK	**2**	**3**	**3**

Note: On January 1, 2023, Quebec implemented the Basic Income Program. Social Solidarity Program (i.e., Disability Assistance) recipients who have been in receipt of assistance for 66 of the previous 72 months are transferred to this program. Rates associated with this program are not included here.

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What is the history of rate increases?

Income and Disability Assistance Rates

			Rate for a Single (Changes in **Bold**)	
Date	**Income Assistance**	**Disability Assistance**	**Income Assistance**	**Disability Assistance**
June 2001 Rates			$510.00	$786.42
January 2005		$70 support rate Increase for all persons designated as PWD	$510.00	**$856.42**
April 2007	$50 support rate increase – singles and single parents $50 shelter rate increase - all family types	$50 shelter rate increase - all family types	**$610.00**	**$906.42**
Sept 2016		$25 support increase for all persons designated as PWD	$610.00	**$931.42**
April 2017		$50 support increase for all persons designated as PWD	$610.00	**$981.42**
Sept 2017	$100 support rate increase	$100 support rate increase for all persons designated as PWD	**$710.00**	**$1,081.42**
January 2018		$52 support rate increase for all persons designated as PWD	$710.00	**$1,133.42**
April 2019	$50 support rate for singles/single parents, $100 for couples/two parent families	$50 support rate for singles/single parents, $100 for couples/two parent families	**$760.00**	**$1,183.42**
April 2021	$175 support rate for singles/single parents, $350 for couples/two parent families	$175 support rate for singles/single parents, $350 for couples/two parent families	**$935.00**	**$1,358.42**
July 2023	$125 shelter rate	$125 shelter rate	**$1,060.00**	**$1,483.42**

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Income Assistance Amounts

2015 - 2021

Client Category	Jan 2015	Sep 2016	Apr 2017	Oct 2017	Jan 2018*	Apr 2019	May 2021	Oct 2021
Temporary Assistance								
Single	$610.00	$610.00	$610.00	$710.00	$710.00	$760.00	$935.00	$935.00
Childless couple	$877.22	$877.22	$877.22	$977.22	$977.22	$1,077.22	$1,427.22	$1,525.00
Two parents w/1 child	$1,061.06	$1,061.06	$1,061.06	$1,161.06	$1,161.06	$1,261.06	$1,611.06	$1,720.00
Single parent w/1 child	$945.58	$945.58	$945.58	$1,045.58	$1,045.58	$1,095.58	$1,270.58	$1,280.00
Single designated as Persistent Multiple Barriers	$657.92	$657.92	$657.92	$757.92	$757.92	$807.92	$982.92	$985.00
Disability assistance								
Single	$906.42	$931.42	$981.42	$1,081.42	$1,133.42	$1,183.42	$1,358.42	$1,358.50
Couple with one adult designated PWD	$1,270.56	$1,295.56	$1,345.56	$1,445.56	$1,497.56	$1,597.56	$1,947.56	$1,948.50
Couple with both adults designated PWD	$1,519.06	$1,569.06	$1,669.06	$1,869.06	$1,973.06	$2,073.06	$2,423.06	$2,423.50
Two parents w/1 adult designated PWD w/1 child	$1,454.56	$1,479.56	$1,529.56	$1,629.56	$1,681.56	$1,781.56	$2,131.56	$2,143.50
Two parents w/1 both adults designated PWD w/1 child	$1,703.06	$1,753.06	$1,853.06	$2,053.06	$2,157.06	$2,257.06	$2,607.06	$2,618.50
Single parent w/1 child	$1,242.08	$1,267.08	$1,317.08	$1,417.08	$1,469.08	$1,519.08	$1,694.08	$1,703.50

*Effective January 1, 2018, rates for Disability Assistance clients increased by $52 per person designated as PWD as the former transportation allowance was rolled into support rates and the new transportation supplement was introduced.

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MINISTRY OF SOCIAL DEVELOPMENT AND POVERTY REDUCTION
RESEARCH, INNOVATION AND POLICY DIVISION
PROGRAM NOTES 2023/2024

TOPIC: Poverty Reduction

KEY INFORMATION:

- Through the *Poverty Reduction Strategy Act* (PRSA) (2018), B.C. committed to reducing the poverty rate from 2016 Market Basket Measure (MBM) benchmarks by 25% for all persons and 50% for children by 2024.

- TogetherBC was released on March 18, 2019, and outlines a cross-government approach to achieving those goals.

- BC achieved both its targets in 2019 and improved upon them in 2020 with the help of federal COVID support benefits.

- Using the latest MBM of Canada's Official Poverty Line (2020 statistics released March 2022), B.C. has met its targets.
    - Overall poverty rate. Goal: 25% reduction. Achieved: 52.5% reduction. From 16.0% in 2016 to 7.6% in 2020.
    - Child poverty rate. Goal: 50% reduction. Achieved: 71.3% reduction. From 17.4% in 2016 to 5.0% in 2020.

	2016 Actual Rate	Target Rate	2020 Actual Rate
Overall Poverty	16%	12.0%	7.6%
Childhood Poverty	17.4%	8.7%	5.0%

- Poverty statistics are reported with a two-year lag, meaning that the final results regarding 2024 targets will not be known until 2026.

- Despite this success, we know that more work needs to be done to sustain progress and keep reducing poverty in B.C.

- Some populations continue to have particularly high rates of poverty including persons with disabilities, Indigenous Peoples, and single working age adults.

- In addition, new and increasing challenges such as inflation, affordability and food insecurity are impacting people who were already struggling.

- Budget 2022 outlined a range of cross-ministry actions that support TogetherBC, including investments in housing and homelessness, child care, and mental health.

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- The next Poverty Reduction Strategy, to be released by March 2024, will be informed by comprehensive engagement with those most impacted by poverty to ensure that future government actions support those who need it most. That engagement is underway from March 1 to April 14, 2023.

BACKGROUND:

Strategy

- B.C. was the last province in Canada to introduce a poverty reduction strategy.

Legislation – *Poverty Reduction Strategy Act* (PRSA)

- The PRSA sets the framework for B.C.'s strategy including principles, priority areas, population groups, consultation, and reporting requirements.
- It requires government to prepare an annual report by each October 1 that describes actions to implement the strategy and effects on poverty reduction, and present to the legislative assembly "as soon as practicable."
- The legislation also requires that the Poverty Reduction Strategy be updated once every five years.
- The 2021 annual report was tabled in the legislature on October 5, 2022.

Poverty Reduction Advisory Committee (PRAC)

- As required by the PRSA, PRAC was formed in 2019 to advise the minister on poverty reduction and prevention.
- It includes representation from Indigenous organizations, unions, persons with lived experience or poverty, local government, rural and remote communities, and persons living with disabilities, among others.

More on Targets and Statistics

- B.C.'s poverty reduction targets use 2016 as the baseline year. That was the most current data available at the time (poverty statistics have a two-year data lag).
- Since 2016:
    - 378,000 fewer people living in poverty, including 104,000 fewer children.
    - Overall poverty rate dropped from 16% to 7.6%.
    - Child poverty rate went from 17.4% to 5%.
- From 2016 to 2019, the decline in poverty was due to a number of significant federal and provincial programs, largely benefiting families.
- Further decline of poverty in 2020 was largely the result of federal and provincial temporary COVID relief payments.
- While progress has been steady, the ability to sustain this progress is unclear in the absence of key temporary supports and in the event of a potential economic downturn.

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INTERJURISDICTIONAL COMPARISON:

- In 2017-18, B.C. undertook the most extensive poverty reduction consultations to date to inform TogetherBC and has some of the most ambitious legislated poverty reduction targets.
- When consultations began in 2017, B.C. had the 2nd highest rate of overall poverty in the country, and the 5th highest rate of child poverty.
- In 2020, B.C. had the 2nd highest rate of total poverty and the 3rd lowest rate of child poverty (behind Alberta and Quebec).

Percentage of Persons and Children Below the Market Basket Measure

By Province, 2020

	All Persons		Children	
	Percentage	Rank	Percentage	Rank
Canada	6.4		4.7	
AB	5.5	9	4.2	9
BC	**7.6**	**2**	**5.0**	**8**
MB	6.8	6	6.0	5
NB	7.6	2	6.1	4
NL	7.0	5	7.9	1
NS	7.7	1	5.5	7
ON	6.8	6	5.6	6
PEI	7.6	2	7.2	2
QC	4.8	10	2.3	10
SK	6.7	8	6.6	3

Note: For ranking, higher is better.

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MINISTRY OF SOCIAL DEVELOPMENT AND POVERTY REDUCTION
RESEARCH, INNOVATION AND POLICY DIVISION
PROGRAM NOTES 2023/2024

TOPIC: Overdose Crisis

KEY INFORMATION:

- The ministry recognizes that income and disability assistance clients are at increased risk of suffering an illicit drug overdose.

- The overdose crisis has worsened during the pandemic as illicit drugs are increasingly containing higher concentrations of more toxic drugs, notably fentanyl, carfentanil and benzodiazepines.

- The ministry has processes to help clients who may be at greater risk of overdose, including direct deposit of funds, paying landlords directly, and administering smaller cheques to avoid large sums of money being provided at once.

- To support people on assistance in residential alcohol and drug treatment, the ministry will pay daily user fees (per diems) directly to licensed residential treatment facilities and registered supportive recovery homes where people are receiving treatment.

- Clients are also provided a drug and alcohol supplement to support access to drug and alcohol treatment counselling or related services.

- The Ministry of Mental Health and Addictions is the lead ministry in coordinating government's response to the overdose crisis.

BACKGROUND:

- In 2022 2,272 British Columbians died from an illicit drug overdose, a slight decrease of 1.5% from 2021 of 2,306 deaths.
- This is the second highest number of overdose deaths after 2021, and deaths have more than doubled since 2019 (987).
- Fentanyl was detected in 82% of illicit drug overdose deaths in 2022, down from 86% in 2021, while carfentanil was detected in 6% of deaths, down from 8% in 2021.
- The number of deaths has dropped in recent months – from July to December 2022, there were 1,146 overdose deaths compared to 1,228 deaths in the same period in 2021 (down 6.7%).

Contact: Suzanne Christensen, Assistant Deputy Minister, RIPD
Cell Phone: 250-888-4301

Cheque Distribution Study

- In 2015 Professor Lindsey Richardson from UBC/Providence Health began a research study looking at the impact of alternative income assistance cheque distribution models on Downtown Eastside clients with severe substance abuse problems.
- The aim of the study was to determine if moving away from a single cheque distribution day for all clients can reduce the frequency and intensity of drug overdoses as well as other negative outcomes.
- **In April 2021 Professor Richardson published an article in The Lancet which showed mixed results from her study.**
- **While there were some positive results, including fewer spikes in drug use on government payment days and individual payment days for those with split and staggered cheques, there was a noticeable increase in exposure to violence, interactions with police and increased odds of a serious overdose.**
- The ministry has procedures in place to help reduce the cheque effect. For example, the ministry encourages clients to use direct deposit and direct payment of rent to landlords, and clients who have difficulty managing their money can have their payments administered by a third-party.
- Professor Richardson's recommendation is that the ministry offer clients choice in when and how they receive their assistance.
- The ministry continues to work with Professor Richardson to better understand how we can reduce illicit drug overdose deaths amongst clients.

CONFIDENTIAL ADVICE TO MINISTER:

- Advice/Recommentations
-
-

BUDGET:

- N/A

INTERJURISDICTIONAL COMPARISON:

- In 2022 2,272 British Columbians died from an illicit drug overdose, a decrease of from 2020.

Contact: Suzanne Christensen, Assistant Deputy Minister, RIPD
Cell Phone: 250-888-4301

Many jurisdictions have delayed releasing their data – most notably Manitoba is now releasing data annually and Ontario has a nine-month lag. Most recent data from other jurisdictions includes:

- Alberta reported that 1,490 people died of an illicit drug overdose in the first eleven months of 2022, an increase of 3% over the same period in 2021.
    - Overdose deaths were down 25 percent in the last five months of 2022 compared to the same period in 2021 (546 vs 726).
- Ontario reported 1,126 illicit drug overdose deaths in the first six months of 2022, a 4% increase compared to the same period in 2021.

Contact: Suzanne Christensen, Assistant Deputy Minister, RIPD
Cell Phone: 250-888-4301

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE
KEY FACTS AND STATISTICS (+ SECTOR OVERVIEW)

Issue: Key facts and statistics for the tourism sector.

Key Messaging and Recommended Response:

- **Tourism is a key pillar of StrongerBC – B.C.'s Economic Plan.**
- **Tourism contributes significantly to employment across all regions of the province and is a source of significant government revenue (taxes) and GDP.**
- **The tourism industry was among the hardest hit by the pandemic.**
- **Pre-pandemic Tourism contributed more than $22 billion in annual revenue to the provincial economy.**
- **The tourism sector directly employed about one out of every eight British Columbians prior to the COVID-19 pandemic.**
- **We've heard from many B.C. tourism businesses that there are many signs of strong recovery. Positive signs include:**
  - **In the first nine months of 2022, the B.C. tourism sector accounted for approximately 12% of the total employment in B.C., higher than the national tourism industry average of 10%.**
  - **The number of active tourism businesses recovered to 12,994 in 2022, from 11,818 in 2020 compared to 13,183 in 2019.**
  - **Average hourly wage increased by 13% in 2021 and by 16% in 2022 as compared to 2019.**
  - **The average hourly wage increased from $20.80 in 2019 to $23.00 in 2020, $23.50 in 2021 and $24.11 in 2022.**
  - **August and September 2022 were the first two months since the onset of the pandemic in which B.C. tourism employment levels have been higher than those experienced in 2019.**
  - **Tourism accounted for 1.9% of total provincial GDP in 2021. (Note: there is data lag for 2022 revenue #'s).**
  - **The tourism industry contributed $5.0 billion to GDP (in 2012 constant dollars) in 2021. This is an increase of +22.8% over 2020.**

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE

- **The tourism industry earned $13.5 billion in revenue in 2021, representing an increase of +22.7% over 2020.**
- **In 2021, the tourism industry paid $3.5 billion in wages and salaries, up +25.3% over 2020.**
- **Forecasted employment in the B.C. tourism sector (overall) is projected to grow at a compounded annual rate of 3.7% over the four-year period between 2021-2025.**

- **We know not every business has fully recovered but we are well on our way. And we will continue to work closely with the sector to ensure we can build back even better than before.**

KEY FACTS

Background/Status:

- Tourism is one of B.C.'s key economic sectors, that contributed the largest added value to the B.C. economy between 2011 and 2019 relative to other primary resource industries, such as mining and quarrying, oil and gas extraction, agriculture and fishing, and forestry and logging.
- The tourism sector directly employed about one out of every eight British Columbians prior to the COVID-19 pandemic, with tourism contributing a significant and growing source of employment across all regions of the province.
- In 2020, COVID-19 had a greater economic impact on tourism than other primary resource industries.
- In 2021, B.C.'s tourism industry had one of the strongest rates of recovery (up +22.8% over 2020) compared to other primary resource industries in B.C., with tourism contributing more than oil and gas extraction ($4.5b; up +5.5%) and agriculture and fishing ($3.3b; up +1.7%).
- Destination BC's (DBC) Corporate Strategy and Marketing Plan, and the *Super, Natural British Columbia*® brand are designed to ensure B.C. is positioned for success, and to keep growing this critical component of the provincial economy in a globally competitive environment.
- Our Ministry's *Strategic Framework for Tourism 2022–2024: A Plan for Recovery and Resiliency,* provides a roadmap for rebuilding British Columbia's visitor economy to be more resilient, sustainable, and innovative as we look toward a brighter future for tourism in B.C.

Tourism GDP & Revenue:

- Tourism accounted for 1.9% of total provincial GDP in 2021.
- The tourism industry contributed $5.0 billion to GDP (in 2012 constant dollars) in 2021. This is an increase of +22.8% over 2020.
- GDP of the B.C. economy increased +6.2% over 2020.

- In 2021, the tourism industry earned $13.5 billion in revenue. This represents an increase of +22.7% over 2020, but a decrease of -33.5% from 2019, the last year before the impact of the COVID-19 pandemic on the tourism industry.

Tourism Employment:

- In 2022, the B.C. tourism sector accounted for approximately 12% of the total employment in B.C., higher than the national tourism industry average of 10%.
- Prior to the pandemic, sector employment increased at an annual growth rate of 1.9% from 2012 to 2019, rising from an average of 304,000 employees per month in 2012 to 348,000 in 2019.
- For the first nine months in 2022, the average monthly employment levels (322,472 employees per month) remained below pre-pandemic levels.
- August and September 2022 were the first two months since the onset of the pandemic in which B.C. tourism employment levels have been higher than those experienced in 2019.
- The impact of the pandemic on employment varies by industry. While overall employment in the tourism sector was down 7% in 2022 relative to 2019, the percentage varies from growth of 12% in recreation and entertainment to losses of 41% in the travel services industry.
- Forecasted employment in the B.C. tourism sector (overall) is projected to grow at a compounded annual rate of 3.7% over the four-year period between 2021-2025.

Wages

- In 2022, the average hours worked were almost back to 2019 levels.
- Most sectors, except for food and beverage services have experienced an increase in average hours per week relative to 2019 which also reflect difficulties in filling positions (i.e., existing workers are asked to work more hours).
- Overall, the average hourly wage in B.C.'s tourism sector increased during the pandemic.
- Average hourly wage increased by 13% in 2021 and by 16% in 2022 as compared to 2019.
- The average hourly wage increased from $20.80 in 2019 to $23.00 in 2020, $23.50 in 2021 and $24.11 in 2022.
- The increase in wages is attributable to three factors:
    - An increase in average wage per position (including entry level positions);
    - Changes in the average level of experience within positions (e.g., more experienced workers tend to receive higher wages); and
    - Changes in the distribution of positions within the sector. For example, the sector had fewer entry level positions during the pandemic and, as a result, higher paid staff accounted for a greater percentage of sector employment.

BC Tourism Sector vs Total Employment, 2022

Employment	British Columbia	Canada
Tourism	*322,472*	*1,859,806*
Overall Employment	*2,737,444*	*19,523, 917*
Percentage Tourism of Overall Employment	**11.8%**	**9.5%**

Source: Statistics Canada, Labour Force Survey via Real Remote Access.

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE

- B.C.'s tourism sector employed an average of 322,472 employees through the first nine months of 2022, of whom 44% were employed in food and beverage services, 31% in recreation and entertainment, 14% in transportation, 9% in accommodation and 3% in the travel services industry.
- Including both employed and unemployed individuals (i.e., those whose most recent job was in tourism), the labor force for the tourism sector averaged 335,278 through the first nine months of 2022. Unemployment averaged 3.9%.
- In 2021, the tourism industry paid $3.5 billion in wages and salaries, up +25.3% over 2020.

Tourism Businesses:

- The number of active tourism businesses recovered to 12,994 in 2022, from 11,818 in 2020 compared to 13,183 in 2019.

Municipal and Regional District Tax (MRDT):

- Tourism generated $1.4 billion in provincial and municipal tax revenue in 2021, an increase of +28.9% from 2020.

Estimated Room Revenue (based on Municipal and Regional District Tax communities):

- Estimated room revenue increased +42.6% from 2020, representing a total of $2.1 billion of room revenue in 2021.

Tourism Statistics:

- As of October 2022 year, to date, there were 2.85 million international travellers who entered British Columbia, which was a 572.4% increase over 2021 and yet -50.2% below 2019 totals.

Contact: Nick Grant, Tourism Sector Strategy
Attached: Methodology notes of importance

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE

Notes on Data Sources:

- *2022 B.C. Labour Market data and employment projections and based on the first nine months of 2022 and are provided by Tourism HR Canada's British Columbia report ((https://tourismhr.ca/wp-content/uploads/BC-Provincial-Report.pdf) that draws on information from Statistics Canada's Labour Force Survey, from surveys and reports commissioned by Tourism HR Canada including employment projections developed by the Conference Board of Canada.*
- Preliminary estimates of the economic contribution of tourism to BC's economy in 2021 were produced by BC Stats and have been reviewed by Destination BC (DBC).
- BC Stats' tourism statistics program is supported and partly funded by DBC. The data included in this document is provided by BC Stats under a MOU with DBC.
- A time-lag for tourism economic estimates is seen each year (e.g., 2021 estimates are available early in 2023) as a result of availability of complete annual business data, as well as processing and review time.
- Data provided by BC Stats includes 2021 tourism generated GDP, tourism sector revenue, provincial/municipal tax revenue, the number of businesses directly providing services to visitors, employment information, and wages and salaries.
- The data included in this document is summarized in the 2021 Value of Tourism Snapshot which will be published on DBC's website.
- BC Stats uses a BC Input-Output model, based on the Statistics Canada Supply-Use Tables. As needed, adjustments are made to the model and revised data released by Statistics Canada is incorporated on an annual basis. As such, the tourism economic performance indicators published in 2023 should not be compared to the values published prior as updates have been applied retrospectively. More detail on the adjustments and revised data releases are noted below. * / ***

***Overall Methodology Note:**

Several updates occurred for various input data sources, resulting in retrospective adjustments to BC's tourism economic performance indicators. Updates include:

- Updated Input-Output data for 2019 replaced 2019 estimated data, which was calculated last year. This impacted all data by commodity from 2019 onward.
- Statistics Canada's Fisher price series for 2017 to 2021 was updated; the update especially impacted domestic tourism.
- Updated AirDNA data resulted in some changes from 2018 onwards.
- Various other data points were updated to better reflect specific commodities, as well as interpolation adjustments between 2014 and 2017.

****Employment Note:**

Tourism employment and wage estimates are generated using a BC Input-Output model, based on the Statistics Canada Supply-Use Tables. The employment and wage data follow strict national accounting principles, and include gratuities and compensation in lieu of wages, among other items. This approach produces an estimate of jobs and full-time equivalents (FTEs) to represent the theoretical number of full-time employees if total hours worked by all full-time and part-time workers were exclusively by full-time employees. The number of employees is based on the number of FTEs due to spending by tourism. This definition traces tourist spending and estimates how many jobs that spending creates. This is different from the number of employees in the tourism and hospitality sector which does not separate tourist spending from resident spending, but rather counts the total number of employees in the hospitality sector, regardless of the customer (tourist versus resident).

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE

*****Businesses Note:**

The number of tourism-related businesses in BC is prepared and provided by BC Stats based on Statistics Canada's Business Register data. As the number of tourism-related businesses are documented at two points in time throughout the year (June and December), any variation of businesses classified as active throughout the year is not fully captured. Similar to previous years, the 2021 tourism business value is represented by December data.

The value for active tourism businesses continues to include many businesses that closed in the months (and potentially year) prior. Once those businesses have permanently come to an end and closeout procedures are completed and confirmed, they will cease to be in included as active businesses.

In 2022/2023, BC Stats redefined the identification of tourism businesses to align with Statistics Canada's Tourism Satellite Account. The use of NAICS codes to identify tourism sectors are now consistent. The tourism business data published in 2023 should not be compared to values published prior as adjustments have been applied retrospectively.

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE
CHINESE CANADIAN MUSEUM

Issue: Establishment of the Chinese Canadian Museum (CCM).

Key Messaging and Recommended Response:

- **Our Government is committed to establishing a Chinese Canadian Museum; since 2018, we have invested a total of $38.5 million (includes $1 million provided to the City of Vancouver to support the CCM) to establish a Chinese Canadian Museum.**
- **The Chinese Canadian Museum is Canada's first museum recognizing the robust and significant contributions of Chinese Canadians to British Columbia and Canada, both past and present, and will feature stories from across the province, including the shared history with Indigenous Peoples.**
- **The Museum is expected to open their permanent home to the public in July 2023, to coincide with the 100th Anniversary of the *Chinese Immigration Act*.**
- **Instances of racism towards the Chinese community and anti-Asian sentiment during the pandemic reinforce the need for a museum that honours this community's contributions to our province.**
- **My mandate letter reaffirmed this ongoing commitment and includes working in consultation with affected communities to advance emerging museum programs and proposals including the Chinese Canadian Museum.**

KEY FACTS

Background/Status:

- Establishing a Chinese Canadian Museum has been a Provincial commitment since 2018, and the December 2022 Minister's mandate letter reaffirms this ongoing commitment by directing the Minister of Tourism, Arts, Culture and Sport (TACS) to "with the support of the Parliamentary Secretary for Anti-Racism Initiatives" Mable Elmore (PS Elmore) "work in consultation with affected communities to advance emerging museum programs and proposals including the Chinese Canadian Museum, a South Asian museum, and a provincial Filipino cultural centre".
- In 2018 the Province provided $1 million to support a Memorandum of Understanding (MOU) with the City of Vancouver to explore UNESCO designation for Vancouver Chinatown, and to advance early work and planning for a Chinese Canadian museum.

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE

- The Chinese Canadian Museum Society of B.C. was incorporated on March 13, 2020, as a non-profit society to advance development and operations.
- The Society has a 16 member board (up to 20 members plus past chair permitted) to govern the museum, including one appointee from the Province (up to two government appointees permitted) and one appointee from the City of Vancouver.
- On March 27, 2020, Society and the Province entered into a Shared Cost Agreement which provided $10 million in funding to the Society with two specific components:
  - $2 million to be used by the Society to establish and operate the museum; and
  - $8 million for an endowment where the earnings will support activities.
- Since incorporating in March 2020, the Society has made significant progress towards the establishment of the museum. Key milestones include:
  - Opening its temporary exhibition space at 27 E. Pender St.;
  - Hiring of five full-time employees;
  - Development of the thematic plan for the museum;
  - Developing the Society's first three-year strategic plan;
  - Producing a catalogue for *A Seat at the Table: Chinese Immigration and British Columbia*;
  - Launching temporary exhibitions in Victoria's Fan Tan Alley in February 2022: *First Steps: Chinese Canadian Journeys in Victoria* and *Gold Mountain Dream!*
  - Acquiring the historic Wing Sang building as the museum's permanent location in February 2022 with a Government announced of $27.5 million to the Society to establish the Museum's permanent location: $25.5 million for acquisition of the Wing Sang building and closing costs, and $2 million for ongoing support for operations;
  - Receiving a $7.8 million donation from the purchase price of the building from philanthropist and former Wing Sang Building owner Bob Rennie;
  - Receiving charitable status designation for the Society in April 2022;
  - Opening two new exhibitions: *Seeds to Success: Story of the H.Y. Louise Family* and *A Tale of Two Families: Generations of Intercultural Communities and Family* in May 2022;
  - Selecting inaugural Director and CEO Dr. Melissa Karmen Lee in October 2022;
  - Receiving a $1.1 million gift in October 2022 from the Society's Board Chair Grace Wong, her husband Richard K. Wong and family;
  - Other significant donations include $1 million from the Lam Family (former BC LG David Lam's family); and $2.8 million from Viviane Poy (Canada's first senator of Asian heritage and now retired). These donations are scheduled to be announced on March 2, 2023.
  - To date the Museum has raised $2.3 million, a strong start to a $25 Million goals
- The Ministry will also support the renovation required for opening and provide interim support for sustainable long-term operations. This includes $4 million for operations over 2 fiscal years, $5 million in capital, approval to repurpose $1.95 million in remaining closing costs. Note: TBC expected March 8th
- The museum is currently in the process of recruiting multiple full-time staff including Associate Curator, Museum Assistant, Gallery Manager and Finance/Office Coordinator.
- The Society is working to open the Wing Sang Building in July 2023 with a temporary exhibition titled *The Paper Trail* commemorating the 100th anniversary of the *Chinese Immigration Act* (also known as the Chinese Exclusion Act).

Contact - Claire Avison, Arts and Culture

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE
ROYAL BC MUSEUM – OVERVIEW

Issue: Royal BC Museum.

Key Messaging and Recommended Response:

- **Through the provincial archives, exhibitions, and educational programs, the Royal BC Museum tells the story of the people, places and history of our province.**
- **The Royal BC Museum is one of our province's greatest cultural icons, having welcomed hundreds of thousands of visitors each year.**
- **The renewal of the Museum's ageing infrastructure to maintain the safety of the collections it holds on behalf of all British Columbians has been a long-standing commitment by this government.**
- **This commitment has resulted in a $270.021 million capital investment in the Collections and Research Building which will be built in Colwood to LEED Gold standards using an all-electric energy solution and mass timber construction to protect the museum's vast collection, protecting our province's shared history, and improving access to the B.C Archives for Indigenous Peoples and British Columbians.**
- **A 3-year province-wide phased engagement plan was launched in January 2023 by the Royal BC Museum to help inform the future of the museum; the downtown site remains open to visitors with expanded programming planned for later this Spring.**

KEY FACTS

Background/Status:

- The Royal BC Museum (the Museum) was founded in 1886 and incorporated the BC Archives as a Crown corporation in 2003 under the current *Museum Act*. Under the Act, the RBCM is mandated to:
  - Communicate knowledge of the human and natural history of British Columbia through research, exhibitions, publications and web-based media and learning programs.
  - Hold and make accessible these collections for current and future generations of British Columbians.
- The Ministry provides oversight of the Museum, including issuing mandate and budget letters, and annual service planning and reporting.
- The Province provides annual operating funding to the Museum, approximately 52% of the operating budget. This annual grant has been stable for more than a decade. In fiscal

2023/24, the operating grant will be $12.721 million, an $855K increase for the Shared Recovery Mandate.

- The *Museum Act* permits the establishment of an 11 member Lieutenant Governor in Council appointed board, 5 of which are appointed in consultation with the Chair of the Board. The Board currently has 5 vacant positions.
- The Museum holds a significant collection of Indigenous Peoples' cultural items, ancestral remains, and residential school records, many of which Indigenous communities are actively seeking access to, repatriation of, or stewardship agreements around.
  - For additional information see *#55 Royal BC Museum – Indigenous Repatriation*

<u>Modernization and the Downtown Site</u>

- See *#53 Royal BC Museum – Downtown Site Redevelopment* and *#54 Royal BC Museum – Public Engagement*

<u>Modernization and the Collections and Research Building</u>

- See *#52 Royal BC Museum – Collections and Research Building*

Contact – Claire Avison, Arts and Culture Division

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE
ROYAL BC MUSEUM – COLLECTIONS AND RESEARCH BUILDING

Issue: Status of the Royal BC Museum's (RBCM) Collection and Research Building

Key Messaging and Recommended Response:

- **The RBCM Collections and Research Building (CRB) will play a vital role in protecting the museum's vast collection, protecting our province's shared history, and improving access to the B.C. Archives for Indigenous Peoples and the public.**
- **The CRB will house the Royal BC Museum's collections and research department, the BC Archives, provide dedicated research labs and learning spaces and provide opportunities for British Columbians to access the vast provincial collections.**
- **Currently less than 1% of RBCM's collection is accessible to the public.**
- **$270.021 million capital investment has been approved to build the CRB in Colwood using an all-electric energy solution and mass timber construction.**
- **We will continue to be transparent and accountable on our investments to ensure the safety of RBCM's invaluable collections.**

KEY FACTS

Background/Status:

Collections and Research Building

- In July 2020, the Collections and Research Building (CRB) was approved with a budget of $177.4 million and Treasury Board directed the Ministry of Tourism, Arts, Culture and Sport (TACS) to report back prior to proceeding with procurement.
- In September 2020, the province announced the purchase of a 3.2-hectare (eight acre) site located in the Royal Bay development in Colwood with a purchase price of $14 million.
- In May 2021, the CRB procurement was approved with a revised capital budget of $224.4 million.
  - The $47.3 million budget lift reflected an additional 20 years of collections storage growth capacity, an all-electric energy solution and mass timber construction.
- The Request for Proposals was released in October 2021, but when the financial submissions from proponents were significantly higher than budgeted, the Project Executive Board approved:
  - A six-month extension to the procurement; and

  - The project team to undertake scope modifications as well as a review of commercial terms that were driving risk and associated cost and subsequently invited revised technical and financial submissions in better affordability alignment.
- The total capital budget represents a $45.634 million increase from the amount approved in June 2021. The increases are primarily a reflection of:
  - Escalation on the design-build contract;
  - Extended project schedule, increasing planning, procurement, and implementation costs;
  - Revised quotes from BC Hydro and Risk Management Branch on the utility upgrade costs and course-of-construction insurance, respectively;
  - Higher unrecoverable GST because of a larger capital budget; and
  - Inclusion of the public art budget for the CRB, previously combined into the downtown site redevelopment public art budget.
- The total project cost is $290.355 million:
  - $270.021 million capital ($204.884 million DB contract).
  - $20.334 million one-time project costs.
- A design-build contract for $204.884 million was executed with the successful proponent, Maple Reinders Construction Ltd. (working with Michael Green Architecture Inc) on Feb. 17, 2023.

Contact – Claire Avison, Arts and Culture Division

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE
ROYAL BC MUSEUM – DOWNTOWN SITE REDEVELOPMENT

Issue: Royal BC Museum – Downtown Site Redevelopment.

Key Messaging and Recommended Response:

- **The Royal BC Museum is one of our province's greatest cultural icons, with a history of welcoming hundreds of thousands of visitors each year (pre pandemic and third floor closure).**
- **We committed to taking action to ensure we protect our collective history, not just for this generation but for generations to come.**
- **We made choices based on the best information we had, and we thought we had it right. It became clear that we did not.**
- **We heard from the people of BC that we were making the wrong decision at the wrong time.**
- **That's why in June, the Premier announced that we were stopping the project and going back to the drawing board.**
- **In January 2023, the Museum began the first phase of a broad 3-year community engagement to hear what British Columbians want to see at the Museum and the future of the downtown site; I am looking forward to the results and to hearing the voices of all British Columbians.**
- **We know this is a priority, and we know with these public engagements, we will get it right.**

KEY FACTS

Background/Status:

- The Royal BC Museum (the Museum) has been at its current location since 1967 and has not been substantially renovated in over 50 years.
- The Museum's vast collections have outgrown its current facility and the buildings no longer meet today's accessibility, seismic or building code standards.
- As such, the Province committed to renewing the Museum in the 2019 and 2020 Throne Speeches and in the Minister's 2020 Mandate Letter.
- From 2018 to 2020, a business case was developed for a two-site delivery model for the modernization of the Museum: a Collections and Research Building (CRB) in Colwood and replacement of the downtown facility.

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE

- Between April 1 and June 27, 2019, TAC and the RBCM consulted with British Columbians, asking how a modern provincial museum could most effectively collaborate with, and tell the stories of, B.C.'s diverse communities with the results in a What We Heard report and "Indigenous Voices: A Report on Indigenous Community Engagement on the Modernization of the Royal BC Museum Report," both released in October 2019.
- On November 3, 2021, RBCM announced it would close its third-floor core galleries, including the Old Town, and the First Peoples Gallery to increase cultural safety and ensure the museum is a welcome place for everyone, as well as to address health and safety issues. This announcement started the process of decanting, leading to a full closure of the third floor on January 2, 2022.
- The announcement generated substantial negative media attention and public reaction suggesting the museum was attempting to erase European settler history, both in mainstream media and on social media platforms.
- Complete closure of the third floor occurred January 2, 2022.
- On March 16, 2022, the business case to build a new museum at the downtown Victoria location was approved, and has since been proactively released.
- On May 13, 2022, Premier John Horgan announced that a new, state-of-the-art museum would be built with an investment of $789 million from the Province. The announcement included the museum's planned closure on September 6, 2022, for 8 years.
- This news led to public criticism. A public poll was conducted which indicated that 70% of British Columbians did not support the current plan for modernization.
- On June 22, 2022, Premier John Horgan announced the Province would suspend its plan to modernize the downtown museum site until broad public engagement is completed.
- Following the decision not to close and rebuild the downtown site pending further engagement, the Museum has remained open, offering opportunities to enjoy the remaining galleries, webinars, pop-ups, travelling exhibits, and online learning.
- The Museum has publicly announced plans to re-open parts of the third floor for exhibition and expand programming beginning in June 2023.

Contact – Claire Avison, Arts and Culture Division

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE
ROYAL BC MUSEUM – PUBLIC ENGAGEMENT

Issue: Royal BC Museum – Public Engagement.

Key Messaging and Recommended Response:

- **The Royal BC Museum has started a robust public engagement process on the future of the museum by asking British Columbians about their hopes and priorities for the museum.**
- **British Columbians throughout the province should feel a sense of belonging, ownership and pride about the museum and the stories it shares.**
- **In-person and virtual sessions are being facilitated so that as many ideas and as much feedback as possible can be gathered from a broad range of people.**
- **The museum is heading into this phase with open minds, not only to share information but to really listen.**
- **I encourage all British Columbians to share their views on what the Royal BC Museum should be now and into the future.**

KEY FACTS

Background/Status:

Need for New Facilities

- The Royal BC Museum (the Museum) has been at its current location since 1967 and has not been substantially renovated in over 50 years.
- The Museum's capacity to house and attend to its vast collections is strained and the buildings no longer meet today's seismic, accessibility or building code standards. The collections have outgrown the available space and the permanent exhibits are outdated.
- The buildings were designed to host 100,000 visitors a year. Prior to the COVID-19 pandemic, RBCM hosted more than 880,000 visitors annually.
- The Province committed to renewing the Museum in the 2019 and 2020 Throne Speeches and in the Minister's 2020 Mandate Letter.
- From 2018 to 2020, a business case was developed for a two-site delivery model for the modernization of the Museum, which has been publicly released.

Public Consultation (2019)

- Between April 1 and June 27, 2019, the Province and the Museum consulted with British Columbians, asking how a modern provincial museum could most effectively collaborate with, and tell the stories of, B.C.'s diverse communities. Government supported seven public meetings in five communities (Victoria, Vancouver, Kelowna, Prince George and

Duncan); a province-wide virtual meeting; and Museum-led focused engagement sessions with Indigenous peoples. Government also hosted an engagement website that garnered a total of 5,182 visits and 177 online comments.

- The results of this engagement were communicated in a What We Heard Report and in Indigenous Voices: A Report on Indigenous Community Engagement on the Modernization of the Royal BC Museum Report, both released in October 2019.

A Three-Year Province-Wide Public Engagement Framework

- On June 22, 2022, Premier John Horgan announced the Province would suspend its plan to modernize the downtown museum site until broad public engagement is complete.
- The Museum developed a 3-year province-wide phased engagement framework to determine the future of the museum.
- The first phase of community engagement began on January 12, 2023, with information and dialogue sessions and online survey.
- Phase 2 will consist of further dialogue and engagement throughout B.C., which will be summarized and presented in a public, final report in November 2024.
- Depending on the results of Phase 2, either a third phase of engagement will begin to collect more information or an action plan for the renewal of the museum will be created.

Contact – Claire Avison, Arts and Culture Division

TOURISM, ARTS, CULTURE AND SPORT
ESTIMATES NOTE
ROYAL BC MUSEUM INDIGENOUS REPATRIATION

Issue: Royal BC Museum Indigenous Repatriation.

Key Messaging and Recommended Response:

- **I was so happy to witness parts of the ceremony celebrating the return of the totem pole belonging to the Nuxalk (new-HAWK) Nation this past February.**
- **Returning ancestral remains and cultural belongings is essential for true and lasting reconciliation.**
- **The Royal BC Museum continues to work with Indigenous communities in the repatriation of their ancestral remains and cultural belongings.**
- **We are working across our government and with the Federal government and all our partners to support repatriation.**
- **We are guided in this repatriation work by *Declaration on the Rights of Indigenous Peoples Act* and our government's commitment to fully adopt and implement the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission's Calls to Action.**

KEY FACTS

Background/Status:

- In September 2016, the Province contributed $2 million to Royal BC Museum (the Museum) over three years for repatriation activities, including grants for communities to engage in repatriation of cultural items, digital repatriation projects and the creation of Canada's first repatriation handbook for Indigenous Peoples, by Indigenous Peoples – a collaboration with the Haida Gwaii Museum at Kay Llnagaay (released in March 2019).
- The Museum continues to work closely with Indigenous communities on the repatriation of ancestral remains, burial belongings, cultural treasures, documentation and records of intangible cultural heritage such as photo collections and audio/video recordings from its collections and other museums.
- The Museum will continue to implement the *Declaration on the Rights of Indigenous Peoples Act* (DRIPA) Action Plan (Declaration Act Action Plan) in the coming years, including Action 4.34:
  - Reset the relationship between the Royal BC Museum and Indigenous Peoples in B.C. by ensuring that Indigenous voices are prioritized and inform the development of narratives, exhibitions and learning programs.

- Action 4.34 will be affected by Action 4.33 which tasks the Province with co-developing an Indigenous-led policy framework to support repatriation initiatives, potentially setting renewed expectations, guidelines, stewardship models and agreements for the Museum's collections.

In July 2022, the Museum hired a Vice President of Engagement and DRIPA Implementation and is positioning its Indigenous Collections and Repatriation department to align with the *Declaration Act* Action Plan and ensure repatriation is prioritized:

Nuxalk Totem Pole Repatriation:

- In October 2019, Hereditary Nuxalk Chief Snuxyaltwa Deric Snow visited the Museum with a delegation and provided a letter requesting the Museum to repatriate a Nuxalk totem pole currently in the Museum's First People's Gallery.
- In January 2022, Nuxalk Hereditary Chief Snuxyaltwa filed a notice of civil claim against both the Province and the Museum seeking repatriation of the totem pole that is displayed in the Museum's third floor galleries and alleging the Province has breached both its fiduciary duty and the DRIPA by failing to repatriate the totem pole. The Ministry of the Attorney General filed a response to the civil action.
- In August 2022, a letter was received from the plaintiff's council providing a copy of a recently passed Band Council Resolution setting out that Chief Snow is the proper person for the museum to consult with regarding the totem pole.
- The Museum worked on repatriation plans and meetings with Chief Snow, the Museum, TACS and legal counsel occurred throughout Fall 2022.
- The Museum successfully worked with the Nuxalk Nation to repatriate the totem pole from the Museum to the Nation's territory near Bella Coola with the pole being removed from the third floor of the museum on February 13, 2023.
- The Museum committed to paying for all the costs associated with removing and shipping the totem pole to Bella Coola along with supporting some of the community travel and ceremonial costs. Note: Costs to be confirmed.

Government Financial Information; Interests of an Indigenous People; Intergovernmental Communications

Contact – Claire Avison, Arts and Culture Division

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 3, 2023

TOPIC: Highway 1 – 264th Street to Highway 11

ISSUE: Fraser Valley Highway 1 Corridor Improvement Program – 264th Street to Highway 11

KEY MESSAGES:

- The Province is committed to continued investment in the Fraser Valley Highway 1 Corridor Improvement Program.
- The Atmospheric River impacted several kilometers of Highway 1 and changed the way we view the highway.
- The ministry is taking steps to ensure that the project is both resilient to future climate events and supports clean, sustainable modes of transportation.
- A comprehensive integrated planning process is underway, and we will have more information later this year about the next phase of the Program.

KEY FACTS:

- It is a mandate commitment to widen through the Fraser Valley, ensure a more integrated transportation corridor with greater capacity and inclusion of transit and active transportation amenities, and assess extension to Chilliwack.
- Fraser Valley Highway 1 Corridor Improvement Program:
    - 216th Street Interchange – Completed 2020 ($61.9M - $22.3M in Federal funding / $11.8M from the Township of Langley / $27.8M from the Province of B.C.)
    - 216th Street to 264th Street – Under Construction ($345M - Government of Canada is contributing $95.9M / Province of B.C. is contributing $225.58M / Township of Langley is contributing $23.37M.)
    - 264th Street to Highway 11 – In Development
    - Highway 11 to Vedder Canal – In Development
- Advice/Recommentations; Government Financial Information

- The ministry is actively engaged with multiple levels of government, participating in a multi-agency process to develop a flood mitigation strategy for the Sumas Prairie ($30M).
- The multi-agency response will help inform planning and project development for future infrastructure improvements into Chilliwack.

FINANCIAL SUMMARY:

- In Budget 2023, funding for the Fraser Valley Highway 1 Corridor Improvement Program is in the Transportation & Trade Network Reliability category of the Transportation Investment Table.
- Advice/Recommentations; Government Financial Information

TOPIC: TransCanada Highway 1: Kamloops to Alberta

ISSUE: TransCanada Highway 1 (TCH): Kamloops to Alberta Four-Laning Program

KEY MESSAGES:

- I'm continuing to upgrade Highway 1 to the Alberta border with $728million committed over the next three years.
- In 2021, we completed the Illecillewaet project, more than $10M under budget.
- In 2023, there are five projects in construction, including the Kicking Horse Canyon Phase 4, Chase Creek Road to Chase West, Chase West to Chase Creek Bridge, Salmon Arm West, and Quartz Creek Bridges.
- All five projects represent a $1.1 Billion dollar investment.
- In 2023, we are planning to tender the Ford Road to Tappen Valley Road and Bruhn Bridge projects. Together an over $400 million investment.

KEY FACTS:

- There are currently 123km (36%) that are four lanes or more, out of the total 338km under provincial jurisdiction between Kamloops and Alberta. (102km is under the federal jurisdiction where Highway 1 runs through Mount Revelstoke National Park, Glacier National Park, and Yoho National Park.)
- A full summary of the program is provided below. By 2027, the projects in construction and design will be complete, and the amount of four-laning will increase by ~30km, bringing the total amount four-laned or more to 151km (44%).
- The Program has completed a prioritization of future four-laning projects, resulting in a suite of projects to advance if investment continues in the corridor, recognizing November 2021 Atmospheric River events have highlighted needs on other corridors.
- All projects on the corridor are being delivered under the CBA.
- Undertaking a four-laning program of this magnitude requires traffic coordination at the corridor level, and in 2021, the ministry implemented a corridor-wide traffic coordination plan. The plan details how coordination happens between projects (including KHCP4 and Parks Canada), road maintenance activities, and during incidents. This plan worked well to inform travellers of the overall estimated additional travel time.
- The Chase West and Salmon Arm projects will now be completed in spring 2023 versus fall 2022 because of delays in completing paving.

Highway 1 to Alberta Border – Service Plan Break Down

Current ($M)	2023/24 Budget	2024/25 Plan	2025/26 Plan	Total	
	330	232	166	728	
2022 ($M)	2022/23 Budget	2023/24 Plan	2024/25 Plan	Total	
	283	277	172	732	
2021 ($M)	2021/22 Budget	2022/23 Plan	2023/24 Plan	Total	
	267	311	259	837	

The Service plan changes reflect:

- Reduction in ongoing program investment (2025/26 and beyond)
- Adjustments in tender and completion dates
    - Projects are completing later (Chase West and Salmon Arm West)
    - Projects are tendering later (Bruhn, Ford to Tappen)

PROJECTS

Project (West to East)	Budget	On Budget	Year Announced	Year Complete	On Schedule	KM
Completed Projects						
Pritchard to Hoffman's Bluff	$61.6M	Yes	2013	2017	No	6.5
Monte Creek to Pritchard	$68.9M	No	2011	2016	No	10.7
North Fork Bridge	$32.6M	Under	2016	2018	Yes	3.8
Donald to Forde Station Road	$19.4M	Under	2017	2019	Yes	2.5
Malakwa Bridge	$35.0M	Under	2014	2016	Yes	2.7
Illecillewaet[+]	$85.0M	Under	2015	2021	Yes	2.0
Total completed projects						**28.2**

[+]Note this project received a budget uplift prior to construction contract award and public announcement.

Projects in Construction	Budget	On Budget	Tender Date	Year Complete	On Schedule	KM
Chase Four-Laning – Chase Creek Road to Chase West	$97.8M	Advice/Recommentations	2020	2023	No – 1 yr	3.3
Chase Four-Laning – Chase West to Chase Creek Bridge	$122.5M *($12.0M fed)*		2021	2023	Yes	1.6
Salmon Arm West – 1st Ave to 10th Ave	$115.6M *($26.3M fed)*		2020	2023	No – 1 yr	2.2
Quartz Creek Bridge	$123.7M *($50.0M fed)*	Yes	2021	2024	Yes	4.4
Kicking Horse Canyon Phase 4	$601.0M *($215.0M fed)*	Yes	2020	2024	Yes	4.8
Total Projects in construction						**16.3**

Projects in Design	Budget	On Budget	Tender Date	Year Complete	On Schedule	KM
Ford Road to Tappen Overhead	$243.0M *($82.1M fed)*	Yes	2023	2025	Yes	4.3
Salmon Arm West – 10th Ave to 10th St.****	$39.8M *($5.0M fed)*	Yes	2024	2023	Yes	1.0
Bruhn Bridge	$224.5M *($91.0M fed)*	Yes	2023	2027	No	1.9
Advice/Recommentations; Cabinet Confidences; Government Financial Information						
Total Projects in design**						**13.7**

Projects in Planning	Budget	On Budget	Tender Date	Year Complete	On Schedule	KM
Hoffman's Bluff to Chase Creek Road	TBD	N/A	TBD	TBD	N/A	5.5
Salmon Arm West – IR3 to 1st Ave	TBD	N/A	TBD	TBD	N/A	2.8
Craigellachie	TBD	N/A	TBD	TBD	N/A	4.0
Total Projects in Planning***						**12.3**

Advice/Recommentations; Cabinet Confidences; Government Financial Information

***Total does not include projects awaiting provincial decision*

****At completion of planning, projects could be advanced to a Stage 1 submission*

*****Project schedule dependent on Section 35 process to acquire reserve lands*

TOPIC: Highway 91 and 17 DeltaPort Way Upgrade Project

ISSUE: Estimate Note for Highway 91 and 17 DeltaPort Way Upgrade Project

KEY MESSAGES:

- The $260.2M Highway 91/17 and Deltaport Way Upgrade Project (Project) provides highway improvements that will enable B.C.'s economy to continue to grow while reducing congestion along this important corridor.
- These upgrades will increase capacity, efficiency, and safety, improve industrial, container trucking and local traffic access, and provide significant economic advantages and broad public benefits.
- The improvements to 27B Avenue, delivered in partnership with Tsawwassen First Nation, were completed in November 2019.
- The Project team completed the procurement for the Design-Build portion of the Project and awarded the contract to Pacific Gateway Constructors (PGC) on December 13, 2019.
- Construction of the Design-Build component of the Project began in April 2020, reached substantial completion in December 2022 with total completion in summer 2023.

KEY FACTS:

- The Province has developed a $260.2M Project funding partnership among the Province of B.C. ($87.5M), the Vancouver Fraser Port Authority ($87.5M), the Government of Canada ($81.7M) and the Tsawwassen First Nation ($3.5M)
- The Project is a collection of components intended to improve highway capacity, efficiency and safety in the Highway 91, Highway 91 Connector, Highway 17 and Deltaport Way corridors.
- The Project was originally approved in 2016 with a budget of $245.2M. The Design- Build Financial Submittals were received in September 2019, and all three submittals were over the estimated contract value. In order to proceed with the Design-Build component of the Project, a budget lift of $15M was approved in December 2019. The additional $15M will be shared equally between the Province and the Vancouver Fraser Port Authority, at $7.5M each.
- Construction of the Design-Build component of the Project began in April 2020 and will be complete in summer 2023. The Deltaport Way and 27B Avenue improvements were completed in November 2019.
- Improvements at Highway 17 and 80th Street are also underway under a separate contract with an anticipated completion of summer 2023.

FINANCIAL SUMMARY:

2022/23 - 2023/24 Service Plan ($)

	Prior Years	2022/23	2023/24	Total
MOTI	$53,094,314	$24,766,405	$9,639,283	$87,500,002
Partners	$123,520,515	$37,738,412	$11,417,744	$172,676,671
Total	$176,614,829	$62,504,817	$21,057,027	$260,176,673

COVID IMPACT:

- No identified COVID impact.

TOPIC: **Pattullo Bridge Replacement Project**

ISSUE: Project Overview

KEY MESSAGES:

- The replacement of the Pattullo Bridge is a key component of the Mayors' Council 10-Year Vision for Metro Vancouver Transportation. In February 2018, the Province announced it would fund and deliver the PBRP.
- PBRP's total project budget is $1.377 billion.
- In February 2020 a design-build-finance (DBF) contract was awarded to Fraser Crossing Partners (an Aecon/Acciona joint venture) to design, build and partially finance the new four-lane bridge, and demolish the existing bridge. The contract value is $967.5 million.
- Construction is currently underway. Pile driving on the main bridge foundations is complete, and construction continues on the bridge tower. In Surrey and New Westminster, construction of the bridge foundations continues, and roadworks are underway.
- On-site investigative work and permitting processes have taken longer than anticipated due to the complexities of the project and challenges presented by the COVID-19 pandemic. As a result, the construction timeline for the project has been adjusted, moving the bridge opening date from late 2023 into 2024.
- PBRP is being delivered under the provincial Community Benefits Agreement (CBA). A CBA increases employment opportunities for locals, Indigenous people, women and other underrepresented groups who want to start a career in the skilled trades. The Agreement provides greater training opportunities for apprentices, so they can complete their certification, building our skilled trade workforce of tomorrow. Costs associated with the CBA are reflected in the Project budget.

KEY FACTS:

- The Pattullo Bridge was built in 1937 and connects the cities of New Westminster and Surrey.
- The bridge is vulnerable to various risks, including seismic, river scour, deck delamination, and collision risks.
- TransLink, the owner of the Pattullo Bridge, will continue to monitor the performance of the existing bridge, as well as operate and maintain the bridge until all traffic is diverted to the new bridge in 2024.
- The Mayors' Council has called for replacement of the Pattullo Bridge with modern lane widths and better connections for vehicles, cyclists, and pedestrians.
- The new bridge will feature four-lanes built to modern safety standards, two-way pedestrian and cyclist facilities and wider lane widths to accommodate commercial vehicles. The PBRP will also include network improvements in Surrey and New

Westminster, and removal of the existing Pattullo Bridge once the new bridge is operational.

- The new bridge is being built to allow for potential expansion to six lanes in the future if needed. The Province will monitor the new bridge's traffic performance and will consult with the municipalities and the Mayors' Council to develop an appropriate response to the bridge's traffic performance based on regional transportation planning and a transportation demand management framework.
- Expansion to six lanes would be put into place only after consultation among the Province, Indigenous groups, the cities of New Westminster and Surrey and the Mayors' Council.
- The ministry engaged with the Identified Indigenous groups through the Environmental Assessment Office's consultation process, which is now complete. Consultation is continuing through Project implementation and the Project has completed Project Agreements with nine out of ten Identified Indigenous groups that include funding for community initiatives and both contracting and employment opportunities.
- The decision to fund and replace the bridge will allow the Mayors' Council to focus on other important priorities in their 10-Year Plan.
- Completion of the project is scheduled for 2024.

FINANCIAL SUMMARY:

- Total capital cost $1.377 billion
- Contractor: Fraser Crossing Partners (50/50 Acciona & Aecon), $967.5 million design-build-finance agreement

	Budget Year	2022/23	Budget Estimate 2023/24	Plan 2024/25	Plan 2025/26
Provincial Investments:					
- Pattullo Bridge Replacement	**2023**	270	324	227	70
	2022	300	206	191	-
		(30)	118	36	70

- Increased spending in F23/24 onwards mainly due to schedule re-sequencing of construction works.

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 10, 2023

TOPIC: Highway 99 Tunnel Program

ISSUE: Fraser River Tunnel Project

KEY MESSAGES:

- We are moving ahead with a new toll-free, eight-lane tunnel to replace the George Massey Tunnel.
- The Fraser River Tunnel Project is the right project for the region and has been endorsed by the Metro Vancouver Board.
- It will result in travel time savings for all modes, particularly those who choose transit, as well as providing new opportunities for those who cycle or walk.
- The project is being designed to improve safety, reliability and connectivity while aligning with regional interests.
- The project is in the Environmental Assessment process and awaiting a Readiness Decision from the Environmental Assessment Office so we can proceed to the next phase.
- This includes ongoing engagement with Indigenous groups and stakeholders and preparation for procurement.
- The Fraser River Tunnel Project is one element of the Highway 99 Tunnel Program, which also includes the Steveston Interchange Project as well as transit and cycling improvements.
- Improvements to transit and cycling infrastructure along Highway 99 are underway with two projects already completed.
- Site preparation for the new Steveston Interchange is underway with major construction beginning in early 2023.
- The new tunnel is estimated to cost $4.15 billion and will be completed in 2030. The estimated Highway 99 tunnel program total costs are $4.29 billion.

KEY FACTS:

- June 2021: Corridor Improvements announced, including the Steveston Interchange Project and three Transit and Cycling Improvements.
- August 18, 2021: New immersed tube tunnel announced.
- January 2022: Work on corridor improvements underway.
- April 2022: Early engagement phase of Environmental Assessment process began.
- April 2022: Contract awarded to Flatiron Constructors Canada Limited for design and construction of the new Steveston Interchange.
- November 2022: Submission of the Detailed Project Description to the Environmental Assessment Office.
- December 2022: Two of the three Transit and Cycling Improvements complete: Bridgeport Road Bus Connection and Highway 17A Interchange Improvements.
- January 2023: Detailed Project Description accepted and posted on January 11, 2023. Engagement with Indigenous nations underway.

FINANCIAL SUMMARY:

- Highway 99 Tunnel Program total capital cost: $4.29 billion.
- Fraser River Tunnel Project: $4.15 billion.
- Steveston Interchange/Transit Cycling Improvements Project: $137 million.

	Budget Year	2022/23	Budget Estimate 2023/24	Plan 2024/25	Plan 2025/26
Provincial Investments:					
- Highway 99 Tunnel Program	**2023**	80	138	425	372
	2022	91	149	318	-
		(11)	(11)	107	372

- Increased spending in FY24/25 mainly due to earlier anticipated technical work during the FRTP procurement phase.
- Steveston Interchange – Construction contract awarded to Flatiron on April 12, 2022, for $44.26M.

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 10, 2023

TOPIC: **Surrey Langley SkyTrain Project**

ISSUE: Overview of the Surrey Langley SkyTrain Project

KEY MESSAGES:

- Surrey, Langley, and other communities across Metro Vancouver are growing quickly, and we are committed to building and investing in transit and transportation projects that meet the needs of people in Metro Vancouver.
- The Project will extend the Expo Line 16 kilometres, primarily along Fraser Highway on an elevated guideway from King George SkyTrain Station in Surrey to 203 Street in Langley City. It includes eight stations and three transit exchanges, and 14 kilometres of active transportation upgrades.
- This project – the first major investment in rapid transit south of the Fraser in nearly 30 years – will transform the transit experience for people in Metro Vancouver, especially those south of the Fraser.
- It will provide sustainable transportation choices, as well as create opportunities for transit-oriented development, job growth, housing, and improved access to services.
- It will also contribute to meeting the government's CleanBC climate-change goals and supporting our StrongerBC economic recovery initiative.
- Once complete, the travel time between Langley City Centre and King George SkyTrain Station will be about 22 minutes, and just 65 minutes between Langley City Centre and Waterfront Station in downtown Vancouver, moving people to and from their destinations faster.

KEY FACTS:

- In July 2022, the Province approved the SLS Business Case at an estimated total cost of $4.01 billion, which includes capital costs and active transportation investments.
- The Surrey Langley SkyTrain budget includes a contribution of $1.3 billion in federal funding.
- The Project is in the procurement phase and is being delivered through three different contracts:
    - **Guideway –** Design-Build-Finance (DBF) contract for the construction of the elevated guideway and active transportation elements along the guideway.
        - RFQ issued August 2022, RFP issued January 2023.
    - **Stations –** Design-Build (DB) contract for the construction of eight new SkyTrain stations, including cycling and pedestrian paths around the new stations.
        - RFQ issued October 2022, RFP to be issued March 2023.
    - **Systems and Trackwork -** Target Price contract which includes the design, installation, and integration of electrical systems, such as power, telecommunications, and automatic controls.
        - RFQ issued November 2022, RFP to be issued March 2023 (TBC).
- Contract awards are expected to begin in late 2023, with major construction to begin in 2024.
- Advance works are well underway with the relocation of utilities (ongoing) and the widening of Fraser Highway through Green Timbers (almost complete).
- The opening of the Surrey Langley SkyTrain is targeted for late 2028.

FINANCIAL SUMMARY:

- The total project cost is $4.01 billion including $3.94 billion capital and $0.07 billion operating costs.

- The project is funding from various sources including: $2.476 billion from the Province, $1.306 billion from the Government of Canada with the remaining $228 million coming from local government.
- Active Transportation investment of $60 million (included in the total Provincial investment).

Transportation Investment Plan	Budget Year	2022/23	Budget Estimate 2023/24	Plan 2024/25	Plan 2025/26
Provincial Investments					
- Surrey Langley Skytrain Project		15	455	286	535
Advice/Recommentations; Cabinet Confidences; Government Financial Information					
Total Surrey Langley Skytrain	*2023*	*19*	*567*	*431*	*535*

Advice/Recommentations; Cabinet Confidences; Government Financial Information

- Notional project cashflow for the SLS projects were programmed under the Transit Infrastructure program as part of Budget 2022 and were reallocated to a separate program line in TIP once the project's business case was approved in July 2022.

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 10, 2023

TOPIC: **Millennium Line UBC Extension Project (UBCx)**

ISSUE: UBCx Concept Plan and Business Case development

KEY MESSAGES:

- The Ministry of Transportation and Infrastructure (the Ministry) has committed to working with its project partners to advance the Concept Plan for UBCx.
- For this project to be successful, it will take the combined efforts of the federal and provincial governments, City of Vancouver, TransLink, UBC and the Indigenous nations on whose traditional territories the line would be located.
- Planning for the UBC Extension is in the early stages.
- We are looking to work with our partners to maximize the housing, employment, and other opportunities at future stations.

KEY FACTS:

- While extending rapid transit to UBC has been discussed for many years, several recent developments have advanced the concept forward (or toward) to the formal planning stage.
- Supporting the advancement of a SkyTrain project to UBC is specifically mentioned in Premier Eby's December 2022 mandate letters to Minister Fleming and Minister of State Coulter.
- UBCx has also been identified as a regional priority in TransLink's Transport 2050 10-Year Priorities Plan
- UBCx, like many future transit projects, will have a focus on transit-oriented development to advance the creation of sustainable, connected communities along transit corridors and help achieve government's housing and affordability goals, also outlined in Premier Eby's mandate letter to Minister Fleming.
- Transit-oriented development will allow the Province to deliver affordable, attainable, and sustainable housing solutions more quickly and effectively. As plans progress, the ministry will work with UBCx partners to connect communities, activities and public spaces with transit and active transportation infrastructure.

FINANCIAL SUMMARY:

- In April 2021, UBC, City of Vancouver, and Musqueam, Squamish, Tsleil-Waututh Development Corporation called for federal-provincial funding support and pledged to fund the regional share of 20% for the UBCx business case.
- In July 2021, the Federal and Provincial governments announced they would contribute a 40% cost share towards the UBCx concept plan and business case.
- In January 2022, the Mayors' Council on Regional Transportation adopted Transport 2050, which included a plan to construct a SkyTrain extension to UBC.

- In April 2022, the Mayors' Council on Regional Transportation approved a horizontal alignment and scope for UBCx, specifying station locations.
- In June 2022, the Mayors' Council Adopted its 2022 Investment Plan, including a "UBCx Major Project Study" to produce a business case, reference concept design, and related assessments
- In Budget 2023, $14 million in provincial funding is in the Transportation and Trade Network Reliability program in the Transportation Investment Plan table to advance planning on the UBCx project.

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 10, 2023

TOPIC: Belleville Terminal Redevelopment Project

ISSUE: Belleville Terminal Redevelopment

KEY MESSAGES:

- This Project has been a long time coming.
- The terminal currently generates $189 million in economic output and supports approximately 1,700 jobs on southern Vancouver Island.
- The proposed new Terminal is anticipated to support approximately $257 million in visitor spending and 3,200 jobs over the next 20 years.
- We just completed public engagement in fall 2022 and based on the survey responses 88% of people were in support of the Project moving forward.
- The proposed new Terminal will be a modern facility equipped to support the growth in our tourism sector and will demonstrate our leadership in clean building strategies. We're also working with the Indigenous groups to identify opportunities for cultural recognition.
- We are finalizing our business case, and we are working hard to secure federal and other partner funding.
- Given this is an international border crossing, we are asking the federal government to be a key funding partner by making a significant contribution towards the Project.
- We look forward to progress on this Project in 2023.

KEY FACTS:

- Belleville is located on the traditional territory of the Lekwungen peoples in Victoria's inner harbour and is a major tourism gateway. It also provides international cross-border service for transporting travellers, goods and services, and connecting families and businesses between Vancouver Island and the US Pacific Northwest.
- Since 1959, Black Ball has been operating the Coho, which is a vehicle and passenger ferry services from downtown Victoria to Port Angeles, WA. In 1993, Clipper relocated to a "temporary" home at the existing Terminal in advance of the 1994 Commonwealth Games to provide passenger ferry services from downtown Victoria to downtown Seattle. Canadian Border Services Agency and the US Customs and Border Protection are also located on site and are responsible for providing border control security services.
- Black Ball and Clipper operations have grown considerably over the decades and Belleville now serves as a major tourism gateway and port of entry with 681,000 travellers transported in 2019. The City of Victoria views Belleville as a major component of its "liveable and working harbour" plan while also being critical to south Vancouver Island's visitor economy.
- The current Terminal does not meet the United States Customs pre-clearance border security model or abide by the Canada-US Agreement on Land, Rail, Marine, and Air Transport Preclearance (LRMA).

- United States Customs and Border Protection has notified B.C. that if the Belleville Redevelopment Project does not continue to advance, they will withdraw their services permanently from southern Vancouver Island, which would definitely have a negative economic impact.
- In addition, the terminal's marine assets and buildings are at the end of their economic life and will become a public safety risk.
- The Belleville Terminal Redevelopment Project proposes construction of a new terminal and wharf with modern border security standards that abide by the LRMA, and construction of a Canadian Border Services Agency commercial vehicle processing facility.
- The proposed new terminal will respond to current and long-term environmental requirements by implementing the highest energy efficiency standards, increasing the resilience of the transportation system to a changing climate, reducing greenhouse gas emissions, mitigating site contamination, and integrating renewable materials into its design.
- The ministry completed public engagement in fall 2022, and there was tremendous support for the Project to move ahead.

FINANCIAL SUMMARY:

- The ministry is in the process of finalizing the business case, including the cost estimate.
- This project is included in the 10 Year Transportation Investment Plan under the Transportation and Trade Network Reliability program line.

COVID IMPACT:

- A preclearance Belleville facility has been identified as the priority tourism infrastructure project by Destination Greater Victoria. The economic loss of not replacing the facility would be substantial to the tourism sector and result in a loss of $1.6B in GDP over the next 30 years of operation. If the Belleville Terminal Redevelopment Project did not proceed, this lost economic opportunity within the tourism sector would compound those already experienced due to Covid-19.

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 10, 2023

TOPIC: **Labour Objectives: Projects and Outcome Reporting for CBA, PLA, and PCT Projects**

ISSUE: How the Ministry of Transportation and Infrastructure (MOTI) is meeting the labour objectives of the Environmental, Social and Governance Framework for Capital.

KEY MESSAGES:

- We know there is a skilled trades shortage in the province and the labour models we are using will help to grow and diversify the construction workforce by increasing opportunities for under-represented people, locals, and apprentices in the industry.
- MOTI is using a variety of labour models to deliver labour objectives under the Environmental, Social and Governance Framework for Capital (ESGFC). These models include the Community Benefits Agreement (CBA), Project Labour Agreements (PLA), and Procurement and Contract Terms (PCT).
- Projects are reporting on hiring outcomes under each model so we can monitor success.

Advice/Recommentations

- As of December 31, 2022, on MOTI projects being delivered under the CBA hours worked by BCIB employees were:
  - 12% by women
  - 14% by Indigenous workers
  - 90% by B.C. residents
  - 8% by youth
  - 9% by trainees or apprentices
- We are continuing to monitor the direct CBA costs for projects in construction; they continue to track in the range of 1%-4% of total project cost.

KEY FACTS:

- The construction industry is facing a skilled tradesperson shortage due to challenges with recruitment, retention, and retirement.
- Labour agreements can help address these challenges by creating opportunities for apprentices, provide surety of pay and benefits, and support a respectful and inclusive workplace.
- The ministry is delivering projects using the CBA, PLAs, and PCT.

Community Benefits Agreement

- The CBA is a project labour agreement between 19 BC Building Trade unions (Allied Infrastructure and Related Construction Council, or AIRCC) and the Ministry of Finance's crown corporation BC Infrastructure Benefits (BCIB). The CBA is a 'master' PLA that applies to multiple projects as designated by government. Under the CBA, the project workforce become employees of BCIB, which is then responsible for supplying labour to construction contractors through a BCIB-Contractor labour supply agreement. BCIB also manages the implementation of the equity and training related objectives of the ESGFC.

Project Labour Agreement

- A PLA can be negotiated on a project-specific basis with the applicable unions involved in the work (e.g., BC Building Trades), and require the successful contractor to execute the pre-negotiated PLA with the unions. To date, government has delegated authority to the Construction Labour Relations Association to assist in the negotiation and administration of these agreements. The contractor and unions manage the supply of workers, and the contractor / subcontractors remain the employer of their workers. Equity and training related objectives are facilitated by the PLA but formally incorporated into the PCT, operationalized by the contractor and unions with oversight from the project Owner (e.g., MOTI) through project reporting. The contractor manages the implementation of the equity and training related objectives of the ESGFC.

Procurement and Contract Terms

- PCT are written into the procurement documents and the construction contract respectively and define the contractor's obligations they must fulfill regarding equity hiring, training targets, and/or Indigenous contracting requirements as prescribed by the Province. The contractor is then obligated to regularly report against these targets to the project Owner. PCT can also incorporate an incentive structure (financial or otherwise) to reward contractors for substantially exceeding the set targets. PCT are regularly incorporated into construction contracts (e.g., minimum Indigenous contracting requirements), and PCT financial incentives structures have been incorporated to complement PLAs (e.g., PLA sets equity and apprenticeship terms, PCT financially incentivizes contractors to exceed the targets). The contractor manages the implementation of the equity and training related objectives of the ESGFC.

Labour delivery models – MOTI projects

Community Benefits Agreement Projects	Project Labour Agreement Projects
Pattullo Bridge Replacement Project	Highway 99 / Steveston Interchange, Transit & Cycling Improvements
Broadway Subway	Highway Reinstatement Projects (Highway 5 & 1)
Kicking Horse Canyon Phase 4	
TransCanada Highway: Kamloops to Alberta Program (multiple projects)	
Surrey Langley Skytrain	

Project outcomes to date

- MOTI projects being delivered using the CBA and PLA models are successfully meeting the desired labour objectives of the ESGFC, as shown in the table below.Advice/Recommentations

Advice/Recommentations

FINANCIAL SUMMARY:

	Project	Trainee/ Apprentice[1]	BC Residents	Female	Indigenous	Youth	Other Equity[2]
CBA Projects[3]	Pattullo Bridge Replacement Project	5%	97%	14%	9%	8%	11%
	Broadway Subway	5%	97%	11%	17%	9%	15%

[1] Definition of trainee may vary across projects

[2] Other Equity category includes (LGBTQ2S+, Persons with Disabilities, and Visible Minorities)

[3] CBA outcomes are from the BCIB Workforce Equity Statistics Report; reporting period is July 2019 to December 2022; percentages are based on hours worked.

	Project	Trainee/ Apprentice[1]	BC Residents	Female	Indigenous	Youth	Other Equity[2]
	Kicking Horse Canyon Phase 4	15%	81%	13%	10%	8%	9%
	TransCanada Highway – Illecillewaet	13%	95%	13%	16%	10%	9%
	TransCanada Highway – Chase East	3%	95%	10%	11%	2%	8%
	TransCanada Highway – Chase West	6%	100%	12%	23%	7%	13%
	TransCanada Highway – Quartz Creek	6%	58%	9%	15%	6%	6%
	TransCanada Highway – Salmon Arm	9%	100%	15%	16%	4%	7%
Project Labour Agreement Projects	Hwy 99 – Bus on shoulder Transit Lanes[4]	11%	100%	11%	15%	7%	0%
	Hwy 99 – Bridgeport [4]	10%	100%	15%	8%	15%	4%
	Highway Reinstatement Program -Hwy 5[5]	9%	N/A	14%	12%	14%	N/A

[4] Data from Transportation Investment Corp; data is for Q3 2022/23; percentages based on number of workers (headcount)
[5] Data from Transportation Investment Corp; data is for Q3 2022/23; percentages are based on hours; data for women and youth together is 14%

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: April 4, 2023

TOPIC: Coastal Ferries - Budget

ISSUE: Budget 2023 - Coastal Ferries

KEY MESSAGES:

- The Ministry budget for Coastal Ferries remains relatively static as we enter the final year of performance term 5.
- In September 2022, BC Ferries filed its performance term six submission with the BC Ferries Commission.
- On March 31, 2023, the BC Ferries Commissioner published her preliminary decision on price caps for performance term 6 at 9.2%.
- Government recognized that significant fare increases would be required for BC Ferries to fulfill its plans which is why we invested $500 million for fare affordability.
- By making this funding available our goal is to keep annual average fare increases at 3.0% or less for 2024 to 2028.

KEY FACTS:

- The Coastal Ferry Services Contract took effect on April 1, 2003 and is a 60-year contract with performance terms renewed every four years.
- Fiscal 2023/24 will be the fourth (and final) year of performance term five.
- BC Ferries raised rates 3% in April 2023 in alignment with the Commissioners final price cap for performance term 5.
- The Provincial operating costs for Coastal Ferries in 2023/24 totals $245.287 million including the federal subsidy and reimbursement of the Medical Travel Assistance Program by the Ministry of Health.
- The Ministry budget factoring in these reimbursements totals $200.700 million.

FINANCIAL SUMMARY:

- The table below shows a break-down of the 2023/24 operating expenses for coastal ferry services.

Estimates ($000)	2022/23	2023/24	Variance
Coastal Ferries Operating Expenses	244,970	245,287	317
Less Recovery:			
Federal/Provincial Agreement Recovery	(32,826)	(32,826)	-
Medical Travel Assistance Program	(11,497)	(11,761)	(264)
Ministry Budget	200,647	200,700	53

Notes:

- The $317,000 variance in operating expenses includes an increase in the forecast for the Medical Travel Assistance Program of $264,000 and an increase of $53,000 for unregulated routes.

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 27, 2023

TOPIC: BC Ferries Performance Term 6 (PT6)

ISSUE: Fare increases for PT6 (April 1, 2024 – March 31, 2028)

KEY MESSAGES:

- Consistent with the Coastal Ferry Act, on March 31, 2023, the BC Ferry Commissioner published her **preliminary decision on the price cap for PT6 at 9.2%. Contained in the Report on the Preliminary Price Cap Decision for the Sixth Performance Term.**
- The commissioner's preliminary decision was developed and decided prior to the fare affordability agreement with BC Ferries being finalized and therefore did not factor in the $500 million contribution to support fare affordability announced on February 26, 2023.
- The commissioner has confirmed that the $500 million contribution will be factored into the final price cap decision to be issued prior to September 30, 2023.
- When BC Ferries submitted the PT6 submission in September 2022 government recognized that significant fare increases would be required in order for BC Ferries to maintain its operations, continue to drive down emissions and carry on with its capital plan.
- That's why our government provided $500 million to BC Ferries to keep fares affordable.
- By making this funding available for BC Ferries, our goal has been to keep annual average fare increases at 3.0% or less for 2024 to 2028.
- Based on the preliminary price cap decision, the 3% price cap goal will be reached, and will be confirmed with the additional work that the commissioner will do between now and the final price cap decision, to be made before September 30, 2023.The additional work includes reviewing and amendments to the Coastal Ferries Services Contract, additional information provided by BC Ferries, and community members to the BC Ferry Commission.

KEY FACTS:

- Performance Term 5 concludes on March 31, 2024 with Performance Term 6 commencing immediately on April 1, 2024
- The performance term process is set out in the Coastal Ferry Act (see attachment 1 for diagram).
  - BC Ferries (BCFS) must file information with the BC Ferry Commission (BCFC) by September 30, 2022, including a PT6 submission with revenue and cost information, a long- term capital plan and an efficiency plan for the upcoming performance term. This was completed by BC Ferries, see attachment 2 for details)
  - Once reports are filed with the BCFC, they must be published on the BCFC's website with a request for public comments. It is available on the Commission website.
  - The Commissioner has released the preliminary price cap decision on March 31, 2023 and noted that it did not yet include the impact of the additional $500 million in provincial funding.

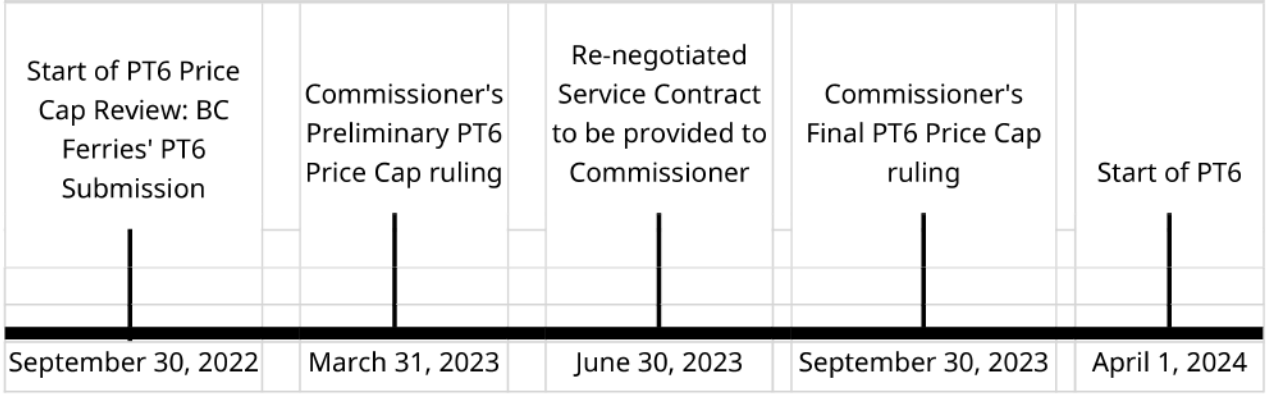
- The Province and BCFS must file a PT6 contract with the BCFC by June 30, 2023, informed by the BCFC's preliminary price cap decision.
- The Commissioner will reconsider the preliminary price cap decision and announce final price caps by September 30, 2023, that considers the updated service contract and any additional information accepted from the ferry operator or government.

FINANCIAL SUMMARY:

- The Coastal Ferries Services Contract will be negotiated between the Ministry and BC Ferries and submitted to the commissioner to inform the final PT6 price cap.
- Contract changes may include changes to service levels, changes to the Service Fee and/or administrative amendments. (See attachment 1 for summary of PT6 process, historical ferry transportation fee amounts and annual federal contribution).
- Supplemental information provided by BC Ferries indicated that the price-cap could exceed 10% annually.

Attachment 1: Summary Diagram of Price Cap Process, Ferry Transportation Fee History and Annual Federal Contribution

Timelines for PT6 Price Cap Review



Ferry Transportation Fee – Historical

Performance Term	Length of Performance Term (years)	Total 4-year Service Fee (m)	Increase (m)	Average Annual Amount	Percentage Change
1 (2003-2007)	5	470,309		94,062	
2 (2008-2011)	4	480,630	10,321	120,158	27.74%
3 (2012-2015)	4	583,730	103,100	145,933	21.45%
4 (2016-2019)	4	685,435	101,705	171,359	17.42%
5 (2020-2023)	4	776,184	90,749	194,046	13.24%
6 (2024-2027)*	4	TBD	TBD	TBD	TBD

*The CFSC will be negotiated between the Ministry and BC Ferries during March and May 2023 with the final submitted to the Commissioner as required by June 30, 2023.

Federal Funding

The Federal Government provides an annual contribution under the 1977 Federal/ Provincial Marine Agreement for BC Ferries to the Province, which is indexed to the Vancouver Consumer Price Index (CPI) published by BC Stats.

Fiscal Year	Federal Contribution* ($millions)	Vancouver CPI
2017/18	29.782	2.14%
2018/19	30.504	2.42%
2019/20	31.340	2.74%
2020/21**	32.028	2.19%
2021/22	32.183	0.48%
2022/23	33.344	3.61%

*The federal contribution is transferred to the Province in equal quarterly payments and in turn are transferred to BCF.
**In 2020/21, Provincial and Federal also contributed $154 million each to fund BC Ferries through the safe restart funding agreement ($308 million in total).

Attachment 2: BC Ferries PT6 Submission - Highlights

All information is subject to review of Commissioner in setting the price cap for the performance term.

Traffic growth projections:

	Private Vehicles	Total Passengers	Commercial
Majors	0.4%	0.4%	1.1%
Minors	0.5%	0.8%	1.7%
North	0.0%	0.4%	1.8%

Economic Assumptions

- Inflation – 6% in 2023/24 and 2.5 percent per year after.
- Cost of Borrowing 5.5% for PT6.

Price Caps information provided by BC Ferries

PT6 – ORIGINAL Projected Price Cap Drivers in BC Ferries PT6 Submission*

Advice/Recommentations; Government Financial Information

*Information is not directly available through BC Ferries publicly available submission on the Commission website. Information obtained from supporting models provided by BC Ferries to the Ministry.

PT6 – REVISED Projected Price Cap Drivers January 2023

Advice/Recommentations; Government Financial Information

Advice/Recommentations; Government Financial Information

*Source: BC Ferries presentation to BC Ferries Authority Board and BC Ferries Services Corporation Board.

Capital Plan: Twelve years starting in 2024 is $5.2 billion.

Advice/Recommentations; Government Financial Information

GHG emission reduction plan:

Advice/Recommentations; Government Financial Information

Service level increases proposed:

Advice/Recommentations; Government Financial Information

Attachment 3: Update PT6 Forecast and Indicative Price Caps

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 10, 2023

TOPIC: TransLink Budget/Funding/Governance

ISSUE: An overview of provincial capital and operating contributions to TransLink and TransLink's funding model and governance structure.

KEY MESSAGES:

- Our government:
  - Committed over $2.4B to TransLink's 2022 Investment Plan that includes the Surrey Langley Skytrain project;
  - In 2020 and 2022, provided $850M in pandemic relief funding in partnership with Canada;
  - In 2023, provided a further $479M in relief funding to TransLink to to help keep the agency's finances stable through 2025 and to continue supporting the Free Transit for Children 12 and Under program;
  - Continues to work with TransLink on potential new regional revenue mechanisms; and
  - Is working, with the Mayors' Council and TransLink's Board of Directors, on the most effective governance model for TransLink.

KEY FACTS:

Funding Model

- TransLink's regional share of funding comes from a variety of sources outlined in the *South Coast British Columbia Transportation Authority Act* (*SCBCTA Act*) including specific taxes (fuel, parking, and property), transit fares, and other levies (e.g., hydro levy, development cost charges). See table below.

TransLink Revenue Sources	2021 $M Actual	2021 % Actual	2022 $M Actual	2022 % Actual
Transit Fares	270.6	16%	395.5	19
Transit Fare Programs	112.3	7%	127.3	6
Other Transit (Advertising)	31.0	2%	30.1	1
Motor Fuel Tax	389.7	24%	424.5	20
Property Tax	418.8	25%	438.0	20
Replacement Tax	17.9	1%	18.0	1
Parking Rights Tax	50.7	3%	75.1	4
Development Cost Charge	44.8	3%	25.2	1
Hydro Levy	22.4	1%	22.6	1
Senior Government Funding	139	8.5%	360.5	17

Golden Ears Bridge	64.8	4%	67	3
Investment Income	52.9	3%	109.1	5
Amortization Canada Line Payment	23.3	1.5%	23.3	1
Miscellaneous	22	1%	17.5	1
Total Revenue ($M)	**1,660.2**	**100%**	**2,133.7**	**100%**

- Given TransLink's access to these funding sources, the Province does not typically fund TransLink's operational costs. However, the impacts of the pandemic on transit revenue required exceptional operational support from senior government to ensure essential transit services continue to operate.
- The *SCBCTA Act* requires TransLink to maintain a positive unrestricted cash and investments position throughout the 10-year Investment Plan period. In each year, planned expenditures cannot exceed revenues plus accumulated surpluses from previous years and established borrowing limits.
- For capital projects, senior governments typically each fund 40%, with 20% being provided by the region.

Governance Model

- TransLink's governance structure includes a Board of Directors (Board) that is responsible for supervising the management of TransLink's affairs and a Mayors' Council on Regional Transportation (Mayors' Council) that provides strategic policy oversight.
- The Mayors' Council is composed of the 21 mayors in Metro Vancouver, the Chief of the Tsawwassen First Nation, and the elected representative of Electoral Area "A".
    - The Mayors' Council has authority over key management, operational and financial affairs of TransLink, such as the approval of investment plans and long-term strategies and approval of supplementary fare increases.
- The Board consists of up to 11 members: seven individuals serving three-year terms appointed by the Mayors' Council (identified by an independent Screening Panel); the Mayors' Council Chair and Vice-Chair; and up to two members appointed by the Province.
    - Among other responsibilities, the Board approves TransLink's annual operating budgets and appoints the CEO.

- For the past several years, the Mayors' Council has advocated for changes to return greater responsibility for decision-making to the region's elected leaders, as they argue that they are held publicly accountable for spending decisions and costs imposed on residents.

- In November 2022, the Mayors' Council created a new position of Mayors' Council Designate to the Board who may attend TransLink Board and Board Committee meetings in a non-voting capacity.

FINANCIAL SUMMARY:

- Since 2016/17, the Province has provided approximately $5.96B in capital funding to TransLink, including:
  - $246M for Phase 1 of 10-Year Vision (2016/17 to 2019/20).
  - $1.9B for Phase 2 of 10-Year Vision (2018/19 to 2027/28).
  - $1.4B for the Pattullo Bridge (2018/19 to 2023/24)
  - $2.416B for TransLink's 2022 Investment Plan.
  - $14M for UBCx Business Case Development.

- In 2020/21 TransLink received $675.8M in emergency operating funding under the federal/provincial Safe Restart Agreement to offset pandemic-related financial losses, including:
  - $600M in financial relief for TransLink's 2020 and 2021 calendar year operating budgets.
  - $44M to keep annual fare increases at 2.3% from 2021 through 2024.
  - $16.9M to offset TransLink's 2020 and 2021 fuel revenue shortfall.
  - $14.9M to develop and implement a Free Transit for Youth 12 and Under Program.

- Additionally, in April 2022, TransLink received $176M in provincial and federal funding to offset losses in 2023-2025 due to continued ridership loss.

- In March 2023, $479M in TransLink funding stabilization was announced to support maintaining transit service levels, avoiding capital project deferrals, and maintaining transit infrastructure.

- In addition to the $2.4B capital contribution to TransLink's 2022 Investment Plan, the Province provided TransLink with a $2B advance payment for the Golden Ears Bridge (GEB) toll replacement.

- $1B of the GEB funding is held by TransLink as restricted investment to provide approximately $50M in investment income per year and $1B is used by the agency to fund capital assets and defer borrowing requirements.

COVID IMPACT:

- TransLink continues to experience significant fiscal impacts due to slower-than-expected ridership recovery from the COVID-19 pandemic; changing travel patterns and fare revenue structure; and escalating costs (labour, capital, fuel and borrowing).
- The agency is also facing future declining revenues from the regional gas tax due to the continued transition to zero-emission vehicles.
- The Province has been working with TransLink to better understand and mitigate its immediate financial risks.
- In 2022, TransLink deferred over $330 million in capital projects to reduce its borrowing requirement.
- The agency has also made service adjustments and cancelled over 300,000 annual service expansion hours, reduced corporate/non-service expenditures and is working closely with the Province on new long-term revenue tools to support its next investment plan.
- Although ridership levels are currently at around 78% of pre-pandemic levels and are lower than anticipated in TransLink's 2022 Investment Plan; TransLink has planned an increase in service hours for 2023 to address an unexpected increase in congestion levels across the Metro Vancouver region and potential ridership growth.

Ministry of Transportation and Infrastructure

Estimates Note

Final Date:

TOPIC: BC Transit Overview

ISSUE: Provincial funding provided to BC Transit for operations and infrastructure.

KEY MESSAGES:

- The Province provides an annual operating grant to BC Transit to cost-share transit service delivery with local governments.
- The 2023/24 operating grant of $145.890M will allow BC Transit to provide approximately 2,571,000 service hours in communities across B.C.
- The Province also invests in transit infrastructure and partners with local governments and the federal government on transit investments.

KEY FACTS:

- The total budgeted operating grant for 2023/24 is increasing by $6.061M to $145.890M in *Budget 2023*. This increase will address inflationary increases to BC Transit's base service costs.
- Over the next three years, the Province will invest $512M in BC Transit infrastructure. This will leverage additional federal and local government funding to total $1.2B over the fiscal plan period.

FINANCIAL SUMMARY:

Operating Funding

Provincial Operating Grant 2022/23 – 2025/26 ($M)					
	2022/23 Forecast	**2023/24 Budget**	**2024/25 Budget**	**2025/26 Budget**	**3-Year Total**
Provincial Operating Grant*	139.191	145.890	145.957	145.957	437.804

* The numbers presented do not include wage increases related to labour agreements that have not been ratified.

- The Province also compensates BC Transit for foregone fare revenue resulting from the Free Transit for Children 12 and Under Program. This is forecast at approximately $2M in 2022/23 and is budgeted to be $2.070M in 2023/24. These amounts are included in the 'Operations' revenue amounts shown in BC Transit's 2023/24-2025/26 Service Plan.
- Funding for transit outside Metro Vancouver is cost shared between the Province and local governments according to the funding formulas in the table on the following page:

Provincial share of costs			
Regional Transit Systems		Victoria Regional Transit System	
Conventional Transit	46.69%	Conventional Transit	31.70%
Custom Transit	66.69%	Custom Transit	63.00%

- Local governments cover their share of costs through property taxes, passenger fares and advertising revenue. The Victoria Regional Transit System receives a lower provincial contribution as it has access to a regional motor fuel tax, which is currently 5.5 cents per litre.

Capital Funding

BC Transit Capital Budget for Service Plan Period ($M)				
	2023/24	**2024/25**	**2025/26**	**Total**
Budgeted Provincial Capital Contributions to BC Transit	107.725	204.016	200.245	511.986
Total BC Transit Capital Expenditure	232,462	485.023	495.414	1,212.898

- Intergovernmental Communications

COVID IMPACT:

- The Province and federal government provided $116.38M to BC Transit in 2020/21 and 2021/22 (Safe Restart funding). The funding continues to directly compensate local government partners for fare revenue losses, increased expenses resulting from COVID-19, and motor fuel tax revenue losses for the Victoria Regional Transit System, supporting continued delivery of essential transit service levels to build back ridership.
- BC Transit ridership consistently improved in 2022 and is approaching pre-COVID-19 levels. The Province will continue monitoring ridership, which will inform future funding decisions for BC Transit.

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 10, 2023

TOPIC: Fraser Valley Integrated Planning

ISSUE: Integrated Transportation Planning in Fraser Valley

KEY MESSAGES:

- The ministry recognizes that the various levels of government have initiated simultaneous planning processes (i.e., Fraser Valley Regional Growth Strategy and Mission Waterfront Revitalization Master Plan).
- The 2021 atmospheric river events highlighted for the Ministry and the Province the need to ensure various levels of government not only align long-term planning efforts related to future growth, but also appropriately account for climate change and resiliency.
- Working together with our partners in the region represents an opportunity to enhance relationships with local and Indigenous governments, create a sense of co-ownership, identify opportunities for co-created planning and identify priorities to guide investments and future initiatives.
- We are making unprecedented infrastructure investments in the Fraser Valley, including the ongoing expansion of Highway 1 and the construction of SkyTrain to Langley.
- We look forward to continuing to work with Fraser Valley communities on an integrated approach to enhancing resiliency, managing growth and developing sustainable transportation options.

KEY FACTS:

- Fraser Valley integrated planning was included in Budget 2020 and announced in August 2020.
- The initial works associated with integrated planning in the region has included a comprehensive data collection initiative, pre-engagement with stakeholders (fall of 2020) to identify key issues of concern in the Fraser Valley and a Regional Rail Pre-Feasibility Study.
- The Regional Rail Pre-Feasibility Study was launched in early 2021 to respond to the Minister of State's mandate letter concerning exploring regional passenger rail opportunities on existing rail corridors in the Fraser Valley.
- The Pre-Feasibility Study identified potential benefits of a regional passenger rail system; however further analyses of the opportunity were recommended including further staff-level stakeholder engagement, which took place in the summer of 2022.
- Advice/Recommentations; Government Financial Information; Intergovernmental Communications

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FINANCIAL SUMMARY:

- To date, Integrated Planning efforts in the Fraser Valley have been funded through a variety of programs.
- The Province is investing $345 million to widen a ten-kilometre section of Hwy 1 through Langley between 216th Street and 264th Street to accommodate new high-occupancy vehicle lanes, including reconfiguring the 232nd Street interchange, new underpasses at Glover Road and the CP Rail crossing.
- In addition, planning is moving ahead for the Hwy 1 widening from Langley to Abbotsford to meet the needs of the growing region, increase transit ridership, and ease congestion in key corridors.
- The Ministry is actively engaged with multiple levels of government, participating in a multi-agency process to develop a flood mitigation strategy for the Sumas Prairie ($30M).

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 10, 2023

TOPIC: Housing Development

ISSUE: Ministry of Transportation and Infrastructure work that supports the Province's Housing Strategy

KEY MESSAGES:

- The ministry is working in partnership across government, with local governments, and with private sector partners to support the Province's priorities on housing.
- Advancing Transit Oriented Development (TOD) is an important mandate commitment and part of the Province's Housing Strategy that will support the delivery of over 9,000 new homes along transit corridors – 800 of which could be delivered in the next five years.
- Budget 2023 supports advancing TOD by purchasing land to shape growth near transit hubs, increasing density and helping to create complete, connected communities.
- The ministry is also supporting the Province's Permitting Strategy for Housing, through a multi-ministry initiative led by the Ministry of Water, Land and Resource Stewardship to streamline process and facilitate housing development on, near and adjacent to ministry land.
- Through the Permitting Strategy, the Ministry is engaging on strategic work to improve permitting processes and systems that aims to reduce MOTI's permit turnaround times by up to 30%.

KEY FACTS:

- The BC Transportation and Financing Authority (BCTFA), a crown of the Ministry of Transportation and Infrastructure (MOTI), has enabling legislation under the *Transportation Act* to facilitate transit-oriented development (TOD) within 800m of a transit station or bus exchange.
- Currently the Ministry is pursuing TOD opportunities on Ministry properties in Metro Vancouver and Victoria (including the Surrey-Langley SkyTrain project), and under the TOD framework, will be expanding TOD across the province.
- The Permitting Strategy for Housing, led by the Ministry of Water, Land and Resource Operations, aims to streamline permitting processes and create a single, coordinated approach to housing permits and authorization.
- The Transportation and Local Government Acts grant MOTI the authority to approve local government land use decisions within 800-metres of a controlled access highway intersection and authorizes use and access to the ministry right-of-way. These include:
    - Municipal land use approvals (bylaw amendments, rezonings, road closures, and development permits).

  - Municipal subdivisions adjacent to arterial highways.
  - Permits for the use, access or occupation of MOTI jurisdiction (highway access permits, overhead/underground utility lines, etc.).
- For subdivisions outside of municipal jurisdiction, MOTI Development Services coordinates referrals to multiple agencies and engineering disciplines and reviews all aspects of subdivisions including access, land use, environmental, hazards and heritage conservation. MOTI Provincial Approving Officers are the statutory decision makers for these files.
- MOTI's Development Services completes up to 6,000 authorizations per year, ~30% of which are related to housing. Of these, municipal land use approvals represent the majority of housing-related files.

FINANCIAL SUMMARY:

Transit-Oriented Development

- Budget 2023 notionally allocates $394 million in capital funding for TOD through a property acquisition fund of $300 million and $94 million to advance six TOD projects on land already owned by the BCTFA.
- In addition, Budget 2023 includes capital funding to acquire land for TOD in conjunction with the Surrey Langley SkyTrain project.
- Budget 2023 allocates funding of $870K in 22/23, and $1.482M in 23/24 and 24/25 for new positions in MOTI to improve permitting turnaround times.

Permitting Strategy for Housing

- MOTI received $870K of new funding in 22/23 and Budget 2023 allocates $1.482M in 23/24 and 24/25 for new MOTI positions to improve permitting processes and turnaround times.

Ministry of Transportation and Infrastructure

Estimates Note

Final Date: March 10, 2023

TOPIC: Permitting Strategy Housing

ISSUE: MOTI's role in Provincial Permitting Strategy for Housing

KEY MESSAGES:

- MOTI is working in partnership across government, with local governments, and with private sector partners to support the Province's priorities on housing.
- This includes supporting the Water, Land and Resource Stewardship (WLRS) led Province's Permitting Strategy for Housing, through a multi-ministry initiative to streamline processes and facilitate housing development on, near and adjacent to ministry land.
- Budget 2023 provided MOTI with an additional $3.8 million over three years to proceed with hiring additional staff to address permit backlogs and undertake cross ministry strategic work to improve permitting processes and systems, which will reduce red tape and is anticipated to improve MOTI's turnaround times for housing approvals by as much as 30%.

KEY FACTS:

MOTI Permitting Authority

- The Transportation and Local Government Acts grant MOTI authority to approve local government land use decisions within 800-metres of a controlled access highway intersection and authorizes use and access to the ministry right-of-way.
  These include:
  - Municipal land use approvals (bylaw amendments, rezonings, road closures, and development permits).
  - Municipal subdivisions adjacent to arterial highways.
  - Permits for the use, access or occupation of MOTI jurisdiction (highway access permits, overhead/underground utility lines,etc.).
- For subdivisions outside of municipal jurisdiction, MOTI Development Services coordinates referrals to multiple agencies and engineering disciplines and reviews all aspects of subdivisions including access, land use, environmental, hazards and heritage conservation. MOTI Provincial Approving Officers are the statutory decision makers for these files.

Development Services

- 75 MOTI Development Services staff in 22 offices across the province process up to 6,000 files annually, of which ~30% are estimated to be housing related.

- MOTI's Development Services completes up to 6,000 authorizations per year, ~30% of which are related to housing developments. Of these, municipal land use approvals represent most housing-related files.
- Of the over 1,000 municipal referrals that MOTI received in 2022, 90% have been completed. The remaining have either been recently received or are complex files which often take longer than 100 days. Most open files are rezonings in the Lower Mainland and South Island.
- MOTI does not currently have published service timelines for permitting.
- MOTI development permit and by-law text amendment decisions have consistently been made in an average of 20 or fewer days, but the average number of days to approve rezonings and subdivisions has increased since 2018 to an average of 40-50 days. MOTI's initiatives under the Provincial Permitting Strategy for Housing work is anticipated to reduce average response times in the coming months and years.

<u>Internal Process Improvements in Addition to Housing Permitting Strategy</u>

- To support the priority to increase housing supply, MOTI is engaging in a series of initiatives:
  - Advice/Recommentations; Intergovernmental Communications
  -
  -
  - Completing a MOTI internal systems and process review to expedite MOTI permitting.

FINANCIAL SUMMARY:

- MOTI received $870K of new funding in 22/23 and Budget 2023 allocates $1.482M in 23/24 and 24/25 for new MOTI positions to improve permitting processes and turnaround times.

Issue: B.C. Biodiversity and Ecosystem Health Framework

Recommend Response:

- We are working hard at laying the foundation for a new B.C. Biodiversity and Ecosystem Health Framework ("Biodiversity Framework") to prioritize ecosystem health and biodiversity, in response to a recommendation made in the Old Growth Strategic Review (OGSR) report.
- We are collaborating with First Nations on the content of this biodiversity framework, as well as engaging with interested parties, local governments, and communities.
- We had previously referred to this as a Declaration on Ecosystem Health, however the term "declaration" has confused some groups and the feedback from the ongoing engagement has been to shift away from this term. In order to provide clarity, we are now referring to this work as the Biodiversity and Ecosystem Health Framework.
- In January and February, the Province brought together more than 300 First Nations and multi-sector participants at two provincial forums to share ideas and better understand the current state, opportunities for improvements and the future management of our forests and ecosystems.
- We are continuing those conversations through a series of virtual sessions scheduled through April and May to hear additional insights on how a new Biodiversity Framework could be created to sustainably manage land, water, and resources.
- We expect to have a final draft of this framework, prioritizing the conservation, and management of ecosystem health and biodiversity across all ecosystems and all sectors inJune 2023.

- That will be followed by the co-development of a legislative framework, and other enabling tools, to support implementation.
- The B.C. government is already leading the way on various aspects of ecosystem health and biodiversity, including implementing the Together for Wildlife Strategy; contributing over $67 million for watershed, wetland and species, ecosystem conservation, and restoration projects since 2021; and establishing a new conservancy area in the Incomappleux Valley.

Key Facts:

- The conservation of long-term ecosystem health and biodiversity is crucial for the health and well-being of communities, economic sustainability, maintaining clean air and water, and the responsible stewardship of wildlife and natural resources for future generations.
- In September 2020, the B.C. government committed to implementing all 14 recommendations of the independent OGSR report, including Recommendation #2 to *"declare the conservation and management of ecosystem health and biodiversity of British Columbia's forests as an overarching priority and enact legislation that legally establishes this priority for all sectors."*
- This recommendation is led by the Land Use Policy, Planning and Ecosystems Division in the WLRS with support from the FOR.
- Initiatives already leading the way on various aspects of ecosystem health and biodiversity include:
    - Protection of at-risk species
    - Biodiversity enhancement and restoration
    - Development of co-managed land and resource stewardship practices with Indigenous peoples
    - Modernized land use planning.
    - Together for Wildlife Strategy
    - Watershed Security Strategy
    - Coastal Marine Strategy
    - Cumulative Effects Framework
- The Biodiversity Framework will apply to all sectors and be developed in partnership with Indigenous Peoples (in recognition of aboriginal and treaty rights) and with guidance and input from all sectors, local communities, municipal leaders, academia, and other interested parties.
- The process will consist of two phases:

  - Phase one will focus on the co-development of the Biodiversity Framework on prioritizing ecosystem health and biodiversity with First Nations.
  - Phase two will focus on developing or updating legislation and other enabling tools to achieve the vision and intent of the Framework.
- The Province has committed to support communities as this gradual shift to more sustainable jobs and economies occurs.
- The Province has contributed over $67 million for watershed, wetland and species and ecosystem conservation and restoration projects since 2021. In 2021, the Ministry of Environment and Climate Change Strategy contributed a total of $37 million for watershed, wetland and species, and ecosystem conservation and restoration:
  - The Healthy Watersheds Initiatives (HWI) received $27 million (in partnership with the Real Estate Foundation).
  - The Conservation Economic Stimulus Initiative (CESI) received $10 million (in partnership with the Habitat Conservation Trust Foundation).
- $30 million was provided in Budget 2022 to improve B.C.'s watersheds.
- The potential socio-economic impacts of the Biodiversity Framework will be assessed in the coming months as this framework is developed.

Date Prepared/Revised: March 3, 2023

Ministry Executive Sponsor:
Name: Celine Davis Phone: 778 698-4060

Alternate Contact for Issue:
Name: Sagarika Saha Phone: 250 952-1193

Issue: Modernized Land Use Planning

Recommend Response:

- My mandate letter state's "continue to transform the management and stewardship of our waters, lands and resources, together with First Nations, and work toward modern land use plans and permitting processes rooted in science and Indigenous knowledge that consider new and cumulative impacts to the land base."
- Modernized land use planning (LUP) sets the strategic direction to guide sustainable resource stewardship and management of provincial public land and waters that meets economic, environmental, social, and cultural objectives.
- LUP is a partnership-based model between First Nation governments and the Government of British Columbia, that also includes meaningful and targeted engagement with stakeholders, including local governments, industry, non-government organizations and the public.
- The WLRS will continue to strengthen B.C.'s commitment to land-use policy and planning to bring more certainty to investors, communities, and First Nations by confirming social choice on the land base.
- The $7.78 million annual budget will continue to support LUP program development and implementation.
- Additional funding may be allocated to address emerging planning pressures resulting from B.C.'s strengthened commitment to land use policy and planning.
- Developing strong relationships with First Nations using a partnership-based approach to the LUP process takes time and helps to establish trust in the process, benefitting all parties as planning implementation continues.
- Projects are being initiated in high priority areas, at the appropriate scale, varying between comprehensive to issue specific plans that seek to address defined community needs

and assist implementation of the *Declaration on the Rights of Indigenous Peoples Act*.

- The Government is actively working to ensure coordination and alignment between other provincial planning initiatives, including Forest Landscape Planning and Water Sustainability Planning. This is particularly important where planning boundaries of different initiatives overlap and may impact the work and outcomes of one another.

Key Facts:

- WLRS is the lead for all land use planning initiatives in B.C.
- Land use planning sets the social choice and management regime for land use in a given region. Other ministries in the natural resource sector (FOR, Ministry of Energy Mines and Low Carbon Innovation {EMLI}, Ministry of Indigenous Relations and Reconciliation {MIRR}, ENV) participate in land use planning projects and will support the implementation of land use plans.
- Drivers for land use planning include reconciliation, a strong sustainable economy, addressing cumulative effects, landscape level disturbance, water sustainability, climate impacts, and species at risk.
- The Indigenous Funding Envelope provided First Nations capacity funding for involvement in modernized land use planning in the amount of $700,000 in 2021/2022 and will require a similar amount for 2022/2023.
- Modernized land use planning program funding supports eight staff in branch and 24 staff distributed across the eight regions. In addition, program funding also supports staff in each of MIRR and EMLI.
- Alignment with other ministry priorities including supporting implementation of the Old Growth Strategic Review Recommendations, the Together for Wildlife action plan, and collaboration with other levels of planning will help advance a more coordinated approach to planning in the province.
- Branch staff are involved in provincial-level engagement, policy, communications, tool development, and program administration. Regional staff are involved in active land use planning, foundational work to support future projects, including cumulative effects assessments, laying the groundwork for Indigenous partnerships on projects, and engagement regionally with stakeholders.
- The Province continues to engage First Nations provincially to collaboratively refine program principles and products that guide the program. A public engagement platform to support modernized land use plans was launched in January 2020.
- In February 2023, five LUP projects advanced to the stage of detailed plan development and formal multi-sector and public engagement on draft plan recommendation and direction on managing for plan area values. These are:

- **Previously Initiated:** Tahltan Nation: Tahltan-B.C. Land Use Plan; Gitanyow/Nisga'a: Meziadin Salmon Habitat Plan; 'Namgis: Gwa'ni Land Use Plan.
- **New**: Kaska Nation – Dene: K'éh Kusān Land Use Plan; Taku River Tlingit: Tulsequah River Watershed Plan.

- All projects share the same next key steps:
  - Explore, identify, and analyse new land use zones and options, including new conserved areas, socio-economic analysis on options, and reconciliation benefits.
  - Work in partnership with the partner First Nation(s) to engage stakeholders and the public in options, seek feedback, and develop recommended options for both governments.
- Other plans include:
  - Fort St. John LRMP Update Project and Extensions (3 projects within)
  - shíshálh Nation Land Use Planning Project
  - Nicola Watershed Land Use Planning Project
  - Southeast Wildlife Corridor Land Use Planning Project
  - Wetzin'kwa Water Sustainability Project

Date Prepared/Revised: March 3, 2023	
Ministry Executive Sponsor: Name: Brian Bawtinheimer, Executive Director	Phone: 250 888 0620
Alternate Contact for Issue: Name: Tricia Morris, Director	Phone: 778 698-9348

Issue: Nature Agreement

Recommend Response:

- In June 2021, the Environment and Land Use Committee (ELUC) provided direction for the development of a Canada – B.C. Nature Agreement (the Agreement) to improve coordination of a federal-provincial collaboration on land stewardship and to direct a significant portion of new federal funding envelopes through 2030.
- The Agreement does not commit B.C. to any specific conservation initiative, it does commit to making progress towards targets which does imply a future fiscal impact for B.C.
- The mandate letter for WLRS includes a new commitment to protecting and conserving 30% of B.C.'s land base by 2030.
- B.C. continues to work with Canada and the First Nation Leadership Council to develop a tripartite agreement.
- Recently through the Chiefs Council meetings, the Union of BC Indian Chiefs, Assembly of First Nations and First Nations Summit have confirmed a mandate that they will work with us and Canada to develop a tripartite agreement.
- There is recognition of the need to do the work contemplated in the Nature Agreement and in most cases, that work is already underway or contemplated through established mandates.
- The opportunity is unique because of the alignment that exists with the federal government and the ability it presents to leverage existing commitments and attract significant federal funding.

Key Facts:

- B.C. is expecting Canada to offer $600 million to support the Agreement, $50 million of which is available to support socio-economic impacts of conservation in some coastal forest ecosystems and in the Interior wet belt forest ecosystem.

- The Nature Agreement primarily focuses on the following key areas:
  - Indigenous leadership and partnership;
  - Habitat and ecosystem conservation and protection;
  - Habitat enhancement and restoration;
  - Species at risk recovery and protection; and
  - Foundational knowledge and information sharing.
- While the draft Nature Agreement was nearing completion in late 2022, concerns were raised by the First Nations Leadership Council (FNLC) that the agreement was not built with Indigenous involvement and that it should be a tripartite agreement with First Nations.
- B.C., Canada and the FNLC continue to work towards completing an Agreement that will include Indigenous support.

Date Prepared/Revised: March 3, 2023

Ministry Executive Sponsor:
Name: David Muter, ADM — Phone: 250 217-5385

Alternate Contact for Issue:
Name: Brian Bawtinheimer, Executive Director — Phone: 250 888 0620

Name: Jennifer Psyllakis, Executive Director — Phone: 250 387-5657

Issue: Approach to 30 Percent Protection by 2030

Recommend Response:

- My mandate letter states "Partnering with the federal government, industry, and communities, and working with Indigenous Peoples, lead the work to achieve the Nature Agreement's goals of 30% protection of BC's land base by 2030, including Indigenous Protected and Conserved Areas."
- Government has recognized the importance of conserving biodiversity and ecosystem health, and we will continue to protect and conserve important areas through designations that align with international guidance.
- This mandate is in early stages, and we will work with First Nations as partners in developing policy and guidance that aid in selecting conserved areas.
- Government is interested in partnering with First Nations on modernized land use planning which may include Indigenous Protected and Conserved Areas.
- Addressing IPCA proposals and advancing conservation is best managed through publicly involved land use planning projects, and those projects should occur where there are land use conflicts or where new land use objectives are needed. Currently, the land use planning program is a modest program that has fully allocated resources.
- In the coming year we are going to continue to work with federal colleagues and First Nations partners towards a trilateral Nature Agreement that we expect will include increased investments from the federal government to support Modernized Land use planning
- LUP is a partnership-based model between First Nation governments and the Government of British Columbia, that also includes meaningful and targeted engagement with stakeholders,

including local governments, industry, non-government organizations and the public.

If asked about Socio Economic impacts

- Land use planning is intended to be used in areas where there is conflict or where the current land use plan was not developed with First Nations input or is out of alignment with current government and First Nations goals.
- In these areas the modernized land use planning process will reduce conflicts and will create the conditions for improved economic certainty and investment.
- Modernized land use planning can mean a shift in our economies in these areas, and understanding those shifts will be done through detailed socio-economic analysis.
- During, the first phases of planning we work to understanding the status quo economic situation.
- Information and data is gathered to understand the current economic activities that could be affected – both positively and negatively – in the area.
- This information helps us understand the scope and scale of what is included in new land use scenarios.
- As we go forward in the land use planning process, we initiate engagement on planning scenarios which includes, public engagement and refinement. All scenarios considered will have full socio-economic impact analysis completed to help with final decision-making. Public engagement here is key to the work.
- Again, the goal of Modernized Land use planning is to work in partnership with First Nations in a way that also includes meaningful and targeted engagement with stakeholders, including local governments, industry, non-government organizations and the public.

Key Facts:

- Protecting and conserving 30% of lands and waters by 2030 was first recommended through the International Union of the Conservation of Nature following concerns of global biodiversity loss. Canada was an early adopter of the target and encouraged provincial and territorial governments to support.
- Formal adoption of 30% by 2030 was made at COP15, the global biodiversity conference in Montreal in December 2022. The target (Target 3) was one of 23 actions endorsed as part of the post-2020 biodiversity framework.
- Target 3 states:
    - Ensure and enable that by 2030 at least 30 per cent of terrestrial, inland water, and of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem functions and services, are effectively conserved and managed through ecologically representative, well-connected and equitably governed systems of protected areas and other effective area-based conservation measures, recognizing indigenous and traditional territories, where applicable, and integrated into wider landscapes, seascapes and the ocean, while ensuring that any sustainable use, where appropriate in such areas, is fully consistent with conservation outcomes, recognizing and respecting the rights of indigenous peoples and local communities, including over their traditional territories.
- Areas that will count towards the 30% can be comprised of:
    - Parks and protected areas – established specifically to protect or conserve conservation values; or
    - “Other effective conservation measures” (OECMs) which are areas protected or conserved for alternative reasons yet provide effective conservation.
- Several policy questions remain following the mandate commitment. These include but are not limited to:
    - Is 30% a cap or a guideline?
    - What is the relationship to the rest of the land base for other activities?
    - Will it be representational across the province?
    - What is considered for new protected or conserved areas? Ecological, recreational, cultural?
    - Criteria or priorities for areas? SAR, old growth, connectivity?
    - Baseline data, conservation information needs to inform choices.
    - The role of LUP compared to other processes.
- IPCAs are expected to contribute to the 30% targets once government-to-government planning processes are completed and new areas established. In some cases, IPCAs may contain areas or zones where some level of economic development may occur that would not meet international criteria. In these cases, the non-conforming areas would be netted out.
- In 2023/24, WLRS will lead policy development that will clarify:
    - Direction, consideration and guidance for planners selecting areas to protect and conserve in land use and other planning processes.

- Resolve policy for a BC specific approach to OECMs that meet the intent of international guidance but also reflect the unique land management designation approach in BC.

- Policy development in these areas is critical for the public, user groups, communities and others to understand the path to 2030 and how areas will be considered.
- Financial costs associated with new protections will be addressed through the new conservation finance mechanism and with contributions through the draft Nature Agreement.

Date Prepared/Revised: April 2, 2023	
Ministry Executive Sponsor: Name: Brian Bawtinheimer	Phone: 250 888 0620
Alternate Contact for Issue: Name: Rhonda Cage	Phone: 778 576-8941

Issue: Species at Risk Recovery

Recommend Response:

- WLRS works collaboratively across ministries, First Nations, and federal counterparts in Environment and Climate Change Canada (ECCC), Parks Canada and the Department of Fisheries and Oceans to establish consistent and effective management actions for Species at Risk recovery.
- Species at risk recovery is a priority and the province will continue to support and implement recovery actions.
- Determining recovery actions begins with identification of a population objective that upholds indigenous rights, as well as the consideration of cultural, social, and economic values.
- Specific species recovery plans are developed in collaboration with First Nations Rights and Title holders and engagement with stakeholders and the public.
- Threats to species recovery are assessed and mitigation options, including both legal and non-legal mechanisms, are identified. Successful recovery often requires multiple approaches and partnerships through intensive management efforts (e.g., captive breeding, control of predators or competitors).
- Through the Land Based Investment Strategy, $600,000 is the average funding available for species at risk recovery, not including spotted owl or caribou. Operational funding is leveraged from multiple sources including Canada.
- In partnership with First Nations, we are working on the development of a Biodiversity and Ecosystem Health policy framework that is intended to establish a more holistic approach to biodiversity conservation and should reduce the likelihood of species becoming at risk while better ensuring resilience of social and economic wellbeing in the province.

Key Facts:

- Species at Risk Recovery in B.C. is led by WLRS. Other ministries in the natural resource sector support the implementation of recovery strategies through establishing objectives, permitting, and authorizing activities as set out in species-at-risk recovery plans (Land Use Objectives Regulation Orders, Government Actions Regulations, wildlife management, habitat restoration, permit conditions, etc.).
- Recovery actions are guided by numerous statutes, few of which are held by WLRS.
- The fragmented approach that involves multiple ministries, that sometimes have overlapping mandates and competing objectives, as well as the varying levels of conservation certainty (i.e., effective protection) has led to the federal Minister being unable to confirm that provincial strategies are adequately meeting the requirements of the federal Species at Risk Act (SARA). Extensive criticism from Non-Government Organizations (NGOs) and legal risks (infringement of rights, petitions to Canada to enact safety net orders under SARA) also impact the public trust and confidence in the provincial program.
- Currently, 253 species in B.C. are listed under SARA, 102 of which have legally identified critical habitat (approximately 30.6 million hectares, not accounting for overlap) in the federal recovery strategies.
- Globally, biodiversity is in decline with an estimated 60% decline in populations of vertebrate species. While the state of biodiversity in B.C. is likely better than many jurisdictions, B.C. is increasingly seen as a last refuge for many North American species and is facing pressures internationally to achieve high standards for conservation outcomes and realize a global stewardship responsibility.
- Declines in biodiversity are primarily due to five main threats: (1) climate change; (2) habitat loss or alteration; (3) invasive species; (4) overexploitation; and (5) pollution. Species at risk are often impacted by the cumulative effects of multiple threats. Species at Risk recovery plans are therefore complex, and implementation of actions involves complicated environmental, social, and economic trade-offs.
- Biodiversity has intrinsic cultural and ceremonial value to Indigenous Peoples who have expressed a strong interest in shared conservation decision-making. That said, cultural values and rights to self-determination, including interest in economic opportunities, can sometimes conflict with species recovery objectives (e.g., moose is a preferred species over caribou).

Date Prepared/Revised: Feb 28, 2023

Ministry Executive Sponsor:
Name: David Muter Phone: 250-217-5385

Alternate Contact for Issue:
Name: Jennifer Psyllakis Phone: 250-812-7797

Issue: Permitting Challenges

Recommend Response:

- Permitting and authorizing activities and statutory decision making on the land base are primary functions of effective land and resource management in the natural resource and transportation sector.
- Predictable, effective and transparent permitting are key to achieving government's goals of reconciliation with Indigenous peoples, economic activity, and environmental sustainability.
- The current permitting landscape is characterized by a transactional relationship with First Nations, high application volumes, a high backlog of applications, and a lack of adequate capacity, policy, regulatory and systems frameworks needed to support sustainable economic development, climate readiness and disaster recovery.
- Significant strategic shifts in how we manage and authorize activities on the land base must occur to transform the permitting regime, and the transactional relationship with First Nations.
- Priority projects offer the opportunity to focus solutions, prototype ideas, iterate, and scale. One such priority project is Housing authorizations across the relevant natural resource ministries.
- The Permitting, Authorization and Statutory Decision-Making Solutions team (PASS) within my ministry is leading work across the natural resource sector, including working with the 6 natural resource ministries and the Environmental Assessment Office, to address priority projects and permitting caseload; examine legislative and policy barriers; enhance systems and data, policy and tools to support decision-making; examine government's fee structure to ensure cost-recovery principles are met; and pilot new

decision-making models, all while considering the need for Indigenous co-management and shared decision making.

- This work, which began in 2022, will continue to be staged out over the next 15 months and beyond for the broader strategic policy and legislative shifts.

Additional Response points (if needed):

- A transformative approach to permitting, and the breadth of systemic changes, is critical for success as we have learned over the decades that allocating more resources to existing processes to address caseload is not sufficient. In the absence of effective land use policy and co-developed approaches to land and resource management, social trade-off decisions are being made on a permit-by-permit basis rather than at the landscape level by appropriate decision makers.
- To advance novel permitting solutions, priority projects will provide focused attention to the process, policy and systems challenges:
    - Housing: streamline decision processes and create a single, co-ordinated approach to housing-related permits and authorizations through the Housing Action Taskforce.
    - Connectivity: improve integrated decision making, identify and resolve permitting issues early, ensure high caliber applications and coordinated consultation across permits, to bring high-speed internet into remote and underserved communities.

Key Facts:

- Ministry of Forests delivers 70% (approximately 23,000 permits annually) of permits/authorizations in the sector; the remaining 30% includes major mines (Ministry of Energy, Mines and Low Carbon Innovation), waste discharge and contaminated sites (Ministry of Environment and Climate Change Strategy), highway access (Ministry of Transportation and Infrastructure) oil and gas and geothermal activity (B.C. Energy Regulator).

- This situation is resulting in, by last year's estimates, greater than $1 billion in annual lost revenue and economic activity.
- The Lands and Natural Resource Operations Secretariat restructuring project uncovered several challenges, including a lack of trust from First Nations in the Province's regulatory regime, bottlenecks and delays in decision making, and Intergovernmental Communications . These challenges are frustrating both First Nations and clients and are resulting in economic impacts across the province.
- Other barriers include:
  - Intergovernmental Communications
  - Lack of a strategic framework for land use and a landscape-based understanding of permitted/authorized activities on the land base
  - Legislative and policy barriers
  - Intergovernmental Communications
  -

- Treasury Board approved up to Government Financial in FY2022/23 on behalf of requesting ministries, to proceed with priority hiring of staff to address permit backlogs and begin strategic work to improve permitting processes and systems.
- Access to these funds have allowed us to hire 42 full-time equivalent (FTE) positions within Phase 1 of hiring (FY22/23) as of March 6th – these 42 positions are all dedicated to supporting housing-related permitting across natural resource ministries and Ministry of Transportation and Infrastructure
- As of March 28th, hiring continues into Phase 2 (FY2023/24), there have been an additional 11 FTEs hired, for a total of 53 FTEs.
- FY 23/24 will provide for up to $13 million ($13,028,000)
  - Base $7,039,000
  - Contingencies $5,988,000
- This has enabled ministries to hire 133 additional FTEs bringing for a total of 175 to advance our permitting transformation efforts by end of the next fiscal year end.
- FY 24/25 will provide for up to $25 million ($25,272,000), which enables hiring an additional 28 FTEs for a full complement of 203 new FTES.
  - Base $12,094,000
  - Contingencies $13,178,000

Date Prepared/Revised: March 29, 2023	
Ministry Executive Sponsor: Name: Lori Halls	Phone: 250-217-5246
Alternate Contact for Issue: Name: Jen Anthony	Phone: 250-889-1315

2023/24 Estimates Debate

Ministry of Water, Land and Resource Stewardship

Issue: Progress on Natural Resource Permitting

Recommended Response:

- Record investments have been made to not only address the backlog of natural resource permits, but more importantly transform our permitting regime and ensure it has the surge capacity it needs in events such as the atmospheric river in 2021.
- Our goal is to ensure timely, fair, transparent permitting while ensuring BC's high standards are maintained.
- This early investment is paying off. While more needs to be done, early progress on permitting results are being achieved.
- Overseeing and driving this work is the Deputy Minister to the Premier and a Solutions Project Board of Natural Resource Deputy Ministers.

Key Facts:

Housing

- In January 2023, Ministry of Water, Land and Resource Stewardship WLRS stood up the cross-ministry Housing Action Taskforce (HAT), to provide dedicated oversight and solutions for the provincial authorizations related to housing.
- The Authorizations and Application Insight Tool (AAI) provides a first in time integrated understanding of the housing-related authorizations that exist within the natural resource sector permitting and allows those applications to be "lifted out of the queue" and assigned to the Housing Action Taskforce to process.
- Since data tracking began, and a baseline was established at the end of March 2023, 214 of 922 housing-related application decisions have been made. As of the end of April 2023, the HAT was able to reduce caseload by 178 files in 31 days.
- Taking into account feedback received at engagement sessions with developers and local governments, an online "single window and navigation service" for housing related provincial permit was established. In its first two weeks of operation, there were over 1,000 unique visitors to the site. This single window will be augmented by a single application process in August, that will mean

developers no longer have to fill out multiple applications for the different types of provincial permits they need for housing.

Connectivity

- WLRS is working with the Ministry of Citizens' Services (CITZ) and BC Hydro to connect all B.C. households to high-speed internet by 2027, including leading earlier application reviews. Advice/Recommentations; Government Financial Information CITZ and BC Hydro Roundtable Reviews for the Connecting Communities BC funding application have been initiated or completed. These early efforts have enabled application risks and red flags to be identified immediately, Advice/Recommentations; Government Financial Information
- Advice/Recommentations; Government Financial Information

- BC Parks has commenced hiring actions to establish a team focused on streamlining (subject to statutory decision making constraints), simplifying and modernizing **connectivity-related park use permits.**
- Connected Coast Project: All connectivity applications submitted to date have passed the *Parks Act* test (Step 1 of the adjudication process) and are being adjudicated for Park Use Permit decisions.

Broader Permitting Efforts

- Significant progress has been made on the **Riparian Area Protection Regulation (RAPR) authorizations.** RAPR authorizations are important not only because they are needed by developers to proceed with housing and other developments but also because they are a key instrument to ensure riparian areas are protected and provide benefits to salmon habitat, flood resilience, and broader ecosystems. The authorization also decreases the likelihood of requiring a Department of Fisheries and Ocean authorization around harm to fish habitat (something that if needed would result in further delays in permitting).
- 68% of the backlogged RAPR files were triaged and processed between January to March 31, 2023. Where these authorizations were taking 9 – 12 months to process, by July 1st, 90% of the applications will be processed in 30 days.
- Ministry of Transportation and Infrastructure (MOTI) strike force established in January 2023 to prioritize **municipal subdivisions and rezonings** in the Lower Mainland (LM) has demonstrated success across 126 total files in the LM, MOTI's strike force has approved 71% of them, accounting for 8347 units of housing. 90% of all files are resolved, with only 10% remaining in process.
- Province wide, MOTI has approved 79 applications and resolved 25% of all municipal subdivisions, rezonings and rural subdivision applications. MOTI's

approval times continued to trend lower from a 61day average in January to 27 days in March. (Municipal completion times have trended upwards from 67 days to 191 days within that same timeframe).

- The Ministry of Environment and Climate Change Strategy (ENV) has demonstrated success as it relates to staffing and reducing the **contaminated sites** application volume. ENV processed more applications than were received in 22/23, decreasing the backlog to less than 400 applications representing a queue time of approximately 9 months.
- The Ministry of Energy, Mines and Low Carbon Innovation's (EMLI), improvements to permit the application intake process and on-boarding of additional permitting staff have resulted in a 30% reduction in the backlog of **regional mine permits**.
- Environmentally sustainable Major Mine projects developed with the support of affected First Nations are being permitted in a timely manner. The permitting of Blackwater Mine 10 months after receipt of the final application is a recent example.
- Through reallocation of resources and prioritized focus the Ministry of Forests was able to process a backlog of over 1,181outstanding information requests related to the Heritage Conservation Act by March 2023 with no further backlog and greater guidance available to applicants.
    - Backlog of 2020, 2021, Heritage Conservation Act permit applications reduced from 355 to 82 by April 2023.

Date Prepared/Revised: May 10, 2023	
Ministry Executive Sponsor: Name: Jen Anthony, Exec Lead	Phone: 250-889-1315
Alternate Contact for Issue: Name: Karen Spence, Director Permitting Solutions	Phone: 250-698-3289

Issue: Housing Authorizations and Housing Action Taskforce

Recommended Response:

- On January 16, 2023, the Premier, Minister Kahlon and I announced the new Permitting Strategy for Housing and the focus on a new Single Window/Single Application approach.
- Our priority is getting through a backlog of applications related to housing developments, prioritizing them, and making decisions so we can get more housing built faster for British Columbians.
- As part of this, the Ministry of Water, Land and Resource Stewardship is leading a Housing Action Taskforce (HAT) and cross-ministry work to improve timing and transparency of authorization processes for Housing projects.
- The HAT will streamline decision processes and create a coordinated single window approach to housing-related permits and authorizations and develop a single housing application process across the ministries of:
    - Water, Land and Resource Stewardship;
    - Environment and Climate Change Strategy;
    - Forests; and
    - Transportation and Infrastructure.
- Engagement with the Housing Sector has revealed a lack of transparency and availability of information regarding permitting processes. This feedback is guiding the Single Window and housing navigation solutions that we are implementing. This engagement will continue as progress is made.
- Close to 1,500 applications are being elevated and accelerated now. For the first time ever, applications across all four ministries are being tracked on a “project” level,

providing a line of sight to analytics and data that has been difficult to achieve.

- The Single Window will be available by April 2023, while the single application is being established over the coming months.
- The taskforce is prioritizing:
  - Indigenous, Non-profit of BC Housing projects;
  - Multiple Unit projects; and
  - Projects that provide affordable housing.
  - Projects in areas where the lack of housing is most acute.
- The solutions we are implementing for Housing are scalable. It is envisioned that the success demonstrated through the Permitting Strategy for Housing will be applied across the Natural Resource Sector.

Key Facts:

- 42 new full time NRM positions dedicated to fast tracking housing authorizations have been recruited and add additional capacity across the HAT and permitting resources.
- There are approximately 1500 natural resource sector permits in the queue related to housing with a current wait time of up to two years.
- Turn-around times depend on the nature and complexity of the request, as well as the quality and completeness of application. Work undertaken by the HAT will increase the availability of guidance so that proponents can submit higher quality applications.
- Housing-related permits sit across several ministries (Environment; Water, Land and Resource Stewardship; Forests; Transportation and Infrastructure) and laws (Water Sustainability Act, Land Act, Transportation Act, Heritage Conservation Act, Environmental Management Act, Riparian Areas Protection Act).
  - Examples include:
    - water licences,
    - land tenures,
    - contaminated sites authorizations,
    - right-of-way access,
    - rural subdivisions,
    - heritage site inspections, and
    - riparian areas.

Date Prepared/Revised: «add date»

2023/24 Estimates Debate

Ministry of Water, Land and Resource Stewardship

Ministry Executive Sponsor:
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Alternate Contact for Issue:
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Issue: Implementing agreements with BRFN and Treaty 8 First Nations

Recommend Response:

- In January our government signed multiple, historic reconciliation agreements with Blueberry River (BRFN) and other Treaty 8 First Nations.
- The agreements are designed to address the cumulative impacts of industrial activity, which have negatively impacted their treaty rights. And specifically in Blueberry River's case, infringed their treaty rights.
- It is our obligation to better protect Treaty 8 rights, and honour the treaty we signed, on behalf of British Columbians, over 100 years ago.
- Five provincial ministries have responsibility for implementing these agreements (WLRS, EMLI, FOR, MIRR, ENV), including the funding assigned.
- Fiscally speaking, WLRS is responsible for stewardship and cumulative effects assessment/management, land use planning, water, and restoration aspects of the agreements.

Additional Response points (if needed):

- Agreements signed on January 18 were posted in early March.
- Once agreements are complete with the three Treaty 8 First Nations, we expect there to be an announcement and agreements to be posted once their signatories are ready, just like in any government-to-government agreement.
- As part of implementation, stakeholders will be engaged in the various initiatives (e.g., wildlife topics at a Wildlife Working Group).

Restoration:

- We are committed to creating two independent entities with Treaty 8 Nations over the next few months, consistent with our agreements.
- We have committed over Government Financial to restoration for these Funds, over the next ten years.
- We will seek contributions from other organizations, such as Canada, industry and the philanthropic sector, to both contribute to this Government Financial and contribute more over time.

Key Facts:

Four Treaty 8 Nations who signed Letters of Agreement and Revenue Sharing Agreements on January 18: Saulteau, Halfway River, Doig River and Fort Nelson. These agreements are based on a co-developed "Consensus Document" which is a framework document addressing initiatives needed to better protect treaty rights and support responsible resource development.

Intergovernmental Communications

Fiscal components of agreements (with accountable ministry noted in paratheses):

- BRFN restoration fund ("Blueberry River Restoration Society"): Governme commitment by June 30, 2025 (WLRS).
- Treaty 8 restoration fund: Government commitment by 2031(WLRS).
- BRFN capacity funding: Government Financial for various components (MIRR).
- Treaty 8 Nation capacity funding (each) including FY22/23: Governme years generally, and shared Government years for stewardship, cumulative effects and land use planning activities (MIRR and WLRS).
- Wildlife management: All Treaty 8 Nations (including BRFN) shared: Government years, Govern specific this FY (WLRS and FOR).
- Water quantity management: BRFN/BC only: Up to Government Financial specific to this FY (WLRS).
- Incentive payments for rapid development and restoration planning: BRFN - up to Gover by 2025; Treaty 8 shared - up to Gover by 2025 (MIRR and EMLI).
- Honouring the Treaty action plans: BRFN - Governme Treaty 8 shared - Governm (MIRR).
- Revenue sharing based on model for 10% of petroleum and natural gas revenues: BRFN - Government Financial minimum, can increase based on PNG activity generating royalties, Governm min. specific to this FY; Treaty 8 – over Government Financial expected, will vary based on PNG activity generating royalties,

with minimum contributions set by Nation (MIRR). No revenue sharing for timber harvesting.

Date Prepared/Revised: March 30, 2023	
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APPENDIX: **Summary of Agreements with Blueberry River and Treaty 8 Nations**

CONTEXT

On June 29, 2021, the BC Supreme Court ruled that the Province had infringed Blueberry River First Nations' (BRFN) treaty rights to hunt, trap and fish and pursue a way of life, as promised in Treaty 8.

The decision led to negotiations between the Province and BRFN over approximately 18 months to address the court's declarations, including Declaration 4: *"The parties must act with diligence to consult and negotiate for the purpose of establishing timely enforceable mechanisms to assess and manage the cumulative impact of industrial development on Blueberry's treaty rights, and to ensure these constitutional rights are respected."*

As the Province and BRFN negotiated a new path forward to better recognize and respect their treaty rights, the Province engaged in concurrent negotiations with the seven other BC-based Treaty 8 Nations. The Province recognizes that the cumulative impacts of industrial development have impacted the meaningful ability for all Treaty 8 Nations to practice their treaty rights and sought a co-developed process to address interests and concerns related to land and resource management.

AGREEMENTS – EXPECTED AND ANTICIPATED OUTCOMES

On January 18, 2023, the Province and BRFN, and the Province and Fort Nelson, Doig River, Halfway River and Saulteau First Nations all signed government-to-government agreements to pursue a shared approach to managing land and resource management in Treaty 8 territory.

Taken together, the Province anticipates the effective implementation of these agreements to result in:

- Better recognition and respect for Treaty 8 rights.
- Timely and enforceable policies and procedures that address cumulative effects.

- A large restoration investment and program, to heal the land and people, which is Indigenous led.
- New land use plans which provide greater clarity for future conservation and development interests, and predictability for projects.
- New protected areas from new industrial activities, as possible Indigenous Protected and
  Conserved Areas.
- Greater resource revenue sharing, such as with oil and gas royalties, to ensure First Nation communities receive greater benefit from the Province for resource development (and in alignment with ongoing new fiscal framework provincial commitment).
- New regime / system for all natural resource sector activities, including new rules, requirements
  for pre-planning for permit applications and proposed projects.
    - With BRFN: Introduce ecosystem-based management principles and approach for sustainable resource development.
- If implemented as intended, the BRFN agreement will satisfy the BC Supreme Court's fourth declaration, and the Province and First Nations continue forward on measures to continue this work and shift closer towards co-management of the lands and resources.

AGREEMENTS – IMPLEMENTATION

Blueberry River First Nations

In the BRFN Implementation Agreement, a series of interim and longer-term measures have been agreed to. This means there are initial instructions and goal posts for the Province and BRFN to work towards, and measure progress to. The actions to both support and constrain development are focused first on two predominate sectors in the northeast, and not surprisingly prevalent in court proceedings: the oil and gas sector and the forest sector. The BRFN IA employs a series of early and direct measures to change the pace and placement of future development activity within the Claim Area, while more complex, multi-sector land use planning work initiates. To support these two sectors, an initial suite of activities is agreed to proceed forward by the Province and BRFN including about two years' worth of timber harvesting and road building activities and over 120 proposed activities by oil and gas tenure holders.

The BRFN Implementation Agreement has no term, it is designed to last through time as Treaty 8 was intended. It will require amendments to update particular components and add further details on details confirmed as implementation progresses. A formal three-year progress review is planned that will likely lead to a major agreement amendment.

Treaty 8 First Nations

Six of the seven other Treaty 8 Nations co-developed a "Consensus Document" with the Province, which is in essence a framework for change in land and natural resource management. Like all Treaty 8 Nations sharing Treaty 8 territory and experiencing the cumulative impacts of industrial development on their treaty rights, the interests for what BC and these Nations have agreed to work on is similar. Four of the seven First Nations have signed Letters of Agreement and Revenue Sharing Agreements to date, and the remaining three

Intergovernmental Communications

Intergovernmental Communications

These agreements will last until March 2024, and then can be extended or re-negotiated. Over the next year, the Province and these Nations expect to work both bilaterally and collectively on several items, including i) launching a shared Treaty 8 restoration fund as a major effort to heal the land and people, ii) advancing several new protected areas; iii) developing new cumulative effects assessments, and management responses to better protect treaty rights in important cultural areas (e.g., permit conditions, regulatory and policy measures), iv) initiating new land use plans, v) better monitor and manage ungulate populations, and vi) creating an action plan to improve awareness and understanding that we are all treaty people.

Together, these agreements reset the balance of natural resource development in Treaty 8 territory in shared ways with eight Treaty 8 Nations, to better protect treaty rights and allow responsible resource development.

Office of the Premier
Estimates 2023/24

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Budget 2023
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Ministry	Minister	Deputy Minister	EFO	CFO
Transportation and Infrastructure (MOTI)	Honourable Rob Fleming Minister of Transportation and Infrastructure Rm 306 Parliament Buildings Victoria BC V8V 1X4 ~~Honourable~~ Minister of State for Infrastructure Rm 028 Parliament Buildings Victoria BC V8V 1X4	Kathryn Krishna Deputy Minister Ministry of Transportation and Infrastructure PO Box 9850 Stn Prov Govt Victoria BC V8W 9T5	Heather Hill Assistant Deputy Minister and Executive Financial Officer Ministry of Transportation and Infrastructure	Ellen Slanina A/Executive Director and Chief Financial Officer Ministry of Transportation and Infrastructure
Water, Land and Resource Stewardship (WLRS) and Minister Responsible for Fisheries	Honourable Nathen Cullen Minister of Water, Land and Resource Stewardship Rm 310 Parliament Buildings Victoria BC V8V 1X4	Lori Halls Deputy Minister Ministry of Water, Land and Resource Stewardship	Sonja Martins Assistant Deputy Minister and Executive Financial Officer Ministry of Water, Land and Resource Stewardship	Tamra McQuitty Executive Director and Chief Financial Officer Ministry of Water, Land and Resource Stewardship
Forest Practices Board (FPB)		Kevin Kriese Deputy Minister	Geoff Recknell Assistant Deputy Minister Forest	Tim Slater Finance Manager & CFO
Independent Offices of the Legislative Assembly			**EFO**	**(Manangers)**
Legislative Assembly			Hilary Woodward	Nina Levi
Auditor General			Sheila Dodds	John McNeill
Conflict of Interest Commissioner			Nicole Wright	Amy McAleese
Elections BC			Yvonne Koehn	Tanya Ackinclose
Information & Privacy Commissioner			Dave Van Swieten	Leoni Gingras
Merit Commissioner			Dave Van Swieten	Leoni Gingras
Ombudsperson			Dave Van Swieten	Leoni Gingras

Ministry	Minister	Deputy Minister	EFO	CFO
Police Complaint Commissioner			Dave Van Swieten	Leoni Gingras
Representative for Children & Youth			N/A	Diane Buljat
Human Rights Commissioner			N/A	Diane Buljat
Other Government Divisions				
Government Communications and Public Engagement		Marie Della Mattia Deputy Minister	Nicole Wright Assistant Deputy Minister and Executive Financial Officer Ministry of Finance	[Vacant] Executive Director of Finance and Corporate Services
Public Service Agency		Deb Godfrey Deputy Minister	Steven Emery Assistant Deputy Minister, Corporate Services	Sandra Winter Executive Director and Chief Financial Officer
Association for HR Professionals Chartered Professionals in Human Resources of British Columbia & Yukon		President and CEO Anthony Ariganello aariganello@cphrbc.ca		
Select Standing Committee on Finance and Government Services		Janet Routledge Chair	Kate Ryan-Lloyd	

OFFICE OF THE PREMIER
BUDGET DAY INFORMATION NOTE

BUDGET CHANGES - QUESTIONS AND ANSWERS
FISCAL 2023/24

Q: Why did the budget for the Office of the Premier vote increase by $1.353 million?

A: **Key Messages:**

- This includes $0.686M base budget increases related to the Shared Recovery Wage Mandate, which includes general wage increases for union (and exempt equivalent) staff for agreements that have ratified as of December 31, 2022, as well as ongoing funding for 2022/23 management increases.

- This increase also includes a budget lift of $0.667M to provide additional funding to effectively deliver on the priorities established during the leadership transition, to support the December 2022 Mandate Letter commitments, and provide greater coordinated support to ministries to achieve government's objectives.

- This base budget lift includes funding for additional positions (including in Vancouver), and a small increase to travel and IT costs to support the Premier and staff.

Q. Why did the budget for the Premier's Office (Executive and Support Services Branch) increase by $0.874 million?

A. **Key Messages:**

- This is a budget lift of $0.207M related to the Shared Recovery Wage Mandate and $0.667M to provide additional funding for increased costs for services provided to ministries by the Premier's Office.

- The base budget lift of $0.667M provides additional funding to effectively deliver on the priorities established during the leadership transition, to support the December 2022 Mandate Letter commitments, and provide greater coordinated support to ministries to achieve government's objectives. It includes funding for additional positions (including in Vancouver), and a small increase to travel and IT costs to support the Premier and staff.

Contact: Amy McAleese, Executive Director
Ph: 778-698-3352

February 15, 2023

Q. Why did the budget for Deputy Minister's Office (Executive and Support Services Branch) increase by $0.117 million?

A. **Key Messages:**

- This is a budget lift to provide additional funding related to the Shared Recovery Wage Mandate.

Q. Why did the budget for Cabinet Operations increase by $0.094 million?

A. **Key Messages:**

- This is a budget lift to provide additional funding related to the Shared Recovery Wage Mandate.

Q. Why did the budget for IGRS increase by $0.189 million?

A. **Key Messages:**

- This is a budget lift to provide additional funding related to the Shared Recovery Wage Mandate.

Q. Why did the budget for the Planning and Priorities Secretariat (PPS) increase by $0.079 million?

A. **Key Messages:**

- This is a budget lift to provide additional funding related to the Shared Recovery Wage Mandate.

Contact: Amy McAleese, Executive Director
Ph: 778-698-3352

February 15, 2023

OFFICE OF THE PREMIER

BUDGET BY CORE BUSINESS

Fiscal 2023-24

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OFFICE OF THE PREMIER
2022/23 vs 2023/24 Budgets by Sub-Vote
($millions)

	2022/23 Restated	2023/24	Increase / (Decrease) $	Increase / (Decrease) %
Intergovernmental Relations Secretariat	**3.479**	**3.668**	**0.189**	**5.43%**
Cabinet Operations	**2.099**	**2.193**	**0.094**	**4.48%**
Planning and Priorities Secretariat	**1.610**	**1.689**	**0.079**	**4.91%**
Executive and Support Services				
Premier's Office	4.810	5.684	0.874	18.17%
Deputy Minister's Office	2.694	2.811	0.117	4.34%
Subtotal Executive and Support Services	**7.504**	**8.495**	**0.991**	**13.21%**
Total Office of the Premier	**14.692**	**16.045**	**1.353**	**9.21%**

OFFICE OF THE PREMIER – INTERGOVERNMENTAL RELATIONS SECRETARIAT

2022/23 vs 2023/24 Budgets

Compared to its restated 2022/23 budget of $3.479M, the Intergovernmental Relations Secretariat net budget increased by $0.189M to $3.668M.

Intergovernmental Relations Secretariat ($millions)	2022/23 Restated	2023/24
2022/23 Budget (Restated)	**3.479**	**3.479**
Increases/(Decreases):		
Shared Recovery Wage Mandate Funding		**0.189**
Budget 2023/24:		**3.668**
Changes from prior year plan increase/(decrease):		**0.189**
Percentage changes from prior year plan:		5.43%

Intergovernmental Relations Secretariat current year changes include:

- The shared recovery wage mandate of $0.189M for union (and exempt equivalent) staff for agreements that have ratified as of December 31, 2022, as well as ongoing funding for 2022/23 management increases.

OFFICE OF THE PREMIER – CABINET OPERATIONS

2022/23 vs 2023/24 Budgets

Compared to its restated 2022/23 budget of $2.099M, the Cabinet Operations net budget increased by $0.094M to $2.193M.

Cabinet Operations ($millions)	**2022/23 Restated**	**2023/24**
2022/23 Budget (Restated)	**2.099**	**2.099**
Increases/(Decreases):		
Shared Recovery Wage Mandate Funding		**0.094**
Budget 2023/24:		**2.193**
Changes from prior year plan increase/(decrease):		**0.094**
Percentage changes from prior year plan:		4.48%

Cabinet Operations current year changes include:

- The shared recovery wage mandate of $0.094M for union (and exempt equivalent) staff for agreements that have ratified as of December 31, 2022, as well as ongoing funding for 2022/23 management increases.

OFFICE OF THE PREMIER – PLANNING AND PRIORITIES SECRETARIAT

2022/23 vs 2023/24 Budgets

Compared to its restated 2022/23 budget of $1.610M, the Planning and Priorities Secretariat net budget increased by $0.079M to $1.689M.

Planning and Priorities Secretariat ($millions)	**2022/23 Restated**	**2023/24**
2022/23 Budget (Restated)	**1.610**	**1.610**
Increases/(Decreases):		
Shared Recovery Wage Mandate Funding		**0.079**
Budget 2023/24:		**1.689**
Changes from prior year plan increase/(decrease):		**0.079**
Percentage changes from prior year plan:		4.91%

Planning and Priorities Secretariat current year changes include:

- The shared recovery wage mandate of $0.079M for union (and exempt equivalent) staff for agreements that have ratified as of December 31, 2022, as well as ongoing funding for 2022/23 management increases.

OFFICE OF THE PREMIER – PREMIER'S OFFICE

2022/23 vs 2023/24 Budgets

Compared to its restated 2022/23 budget of $4.810M, the Premier's Office net budget increased by $0.874M to $5.684M.

Premier's Office ($millions)	**2022/23 Restated**	**2023/24**
2022/23 Budget (Restated)	**4.810**	**4.810**
Increases/(Decreases):		
Shared Recovery Wage Mandate Funding		**0.207**
Base Budget Funding		**0.667**
Budget 2023/24:		**5.684**
Changes from prior year plan increase/(decrease):		**0.874**
Percentage changes from prior year plan:		18.17%

Premier's Office current year changes include:

- The shared recovery wage mandate of $0.207M for union (and exempt equivalent) staff for agreements that have ratified as of December 31, 2022, as well as ongoing funding for 2022/23 management increases.
- A funding increase of $0.607M for salary and benefits associated with additional FTE's to support the Premier's Office to delivery on priority commitments and the issues important to British Columbians.
- A funding increase of $0.050M for travel costs associated with the transition in leadership and emerging trend for return to pre-pandemic travel levels.
- A funding increase of $0.010M for Information technology is to support information technology requirements of new staff in the Premier's Office and other minor technology needs.

OFFICE OF THE PREMIER – DEPUTY MINISTER'S OFFICE

2022/23 vs 2023/24 Budgets

Compared to its restated 2022/223 budget of $2.694M, the Deputy Minister's Office net budget increased by $0.117M to $2.811M.

Deputy Minister's Office ($millions)	**2022/23 Restated**	**2023/24**
2022/23 Budget (Restated)	**2.694**	**2.694**
Increases/(Decreases):		
Shared recovery wage mandate funding		**0.117**
Budget 2023/24:		**2.811**
Changes from prior year plan increase/(decrease):		**0.117**
Percentage changes from prior year plan:		4.34%

Deputy Minister's Office current year changes include:

- The shared recovery wage mandate of $0.117M for union (and exempt equivalent) staff for agreements that have ratified as of December 31, 2022, as well as ongoing funding for 2022/23 management increases.

ISSUE: BUDGET 2023 INCREASES OFFICE OF THE PREMIER

ADVICE AND RECOMMENDED RESPONSE:

- As part of *Budget 2023*, The Office of the Premier received base budget lifts of $1.353M in 2023/24, $1.432M in 2024/25 and 2025/26. The three-year fiscal plan summary shows in Table 1.

TABLE 1: ESTIMATE SUMMARY:

	2022/23 Restated Estimates[1]	2023/24 Estimates	2024/25 Plan	2025/26 Plan
Operating Expenses ($millions)				
Executive and Support Services	**7.504**	**8.495**	**8.531**	**8.531**
Premier's Office	*4.810*	*5.684*	*5.708*	*5.708*
Deputy Minister Office	*2.694*	*2.811*	*2.823*	*2.823*
Intergovernmental Relations Secretariat	**3.479**	**3.668**	**3.690**	**3.690**
Cabinet Operations	**2.099**	**2.193**	**2.204**	**2.204**
Planning and Priorities Secretariat	**1.610**	**1.689**	**1.699**	**1.699**
Total	**14.692**	**16.045**	**16.124**	**16.124**

- [1] The 2022/23 figures are restated and consistent with the *2022/23 Estimates*.

- Budget 2023 changes include:
  - $2.216M over the 3-year fiscal plan to fund the negotiated Shared Recovery Wage Mandate.
  - $2.001M over the 3-year fiscal plan to address operational funding requirements within the Premier's Office to deliver on priority commitments which are aligned with top issues identified by British Columbians.

Please see Table 2: Change Summary for a detailed listing of changes by fiscal year by sub-vote.

Contact: Amy McAleese, Executive Director
Ph: 778-698-3352

TABLE 2: CHANGE SUMMARY:

Change Summary	2023/24 Estimates	2024/25 Plan	2025/26 Plan
Operating Expenses ($millions)			
Shared Recovery Wage Mandate	**0.686**	**0.765**	**0.765**
ESS - Premier's Office	*0.207*	*0.231*	*0.231*
ESS – Deputy Minster Office	*0.117*	*0.129*	*0.129*
IGRS	*0.189*	*0.211*	*0.211*
Cab Ops	*0.094*	*0.105*	*0.105*
PPS	*0.079*	*0.089*	*0.089*
ESS – Premier's Office Operations	**0.667**	**0.667**	**0.667**
Staffing	*0.607*	*0.607*	*0.607*
Travel	*0.050*	*0.050*	*0.050*
Information Technology	*0.010*	*0.010*	*0.010*
Total	**1.353**	**1.432**	**1.432**

- **Shared Recovery Wage Mandate:** The Shared Recovery Mandate applies to all public sector employers with unionized employees whose collective agreements expire on or after December 31, 2021. This funding supports negotiated general wage increases over a three-year term. The SRM are prorated over the core business based on the annual salary expenses.
- **Premier's Office Operations:**
    - Staff Resources: Budget 2023 includes funding to support additional FTE's including 2 positions located in Vancouver, where the Premier resides. These positions support the Premier's Office to deliver on priority commitments and the issues important to British Columbians.
    - Travel: *Budget 2023* funding is based on the Premier's change in base location from Victoria to Vancouver, expected return to pre-pandemic travel levels throughout the Province, and for inter-provincial travel related to increasing Federal awareness and support for provincial priorities.
    - Information Technology: *Budget 2023* provides a modest increase to support information technology requirements of new staff in the Premier's Office and other minor technology needs.

OFFICE OF THE PREMIER
BUDGET DAY INFORMATION NOTE

Budget 2018 To Budget 2023 Change Summary

Since February 2018, the Office of the Premier budget has increased by $4.784M:

- In *Budget 2023* the budget increased by $1.353M:
    - Incremental funding increase of $0.686M for Shared Recovery Wage Mandate includes general wage increases for union staff for agreements that have ratified as of December 31,2022, as well as ongoing funding for 2022/23 management increases; and
    - Base funding of $0.667 M to provide additional funding to support December 2022 Mandate Letter commitments and provide greater coordinated support to ministries by the Premier's Office. This includes funding for additional FTEs salaries and benefits (including 2 positions located in Vancouver), and a small increase to travel and IT costs.
- In *Budget 2022* the budget increased by $0.014M to provide additional funding for increased costs for services provided to ministries by the Legal Services Branch.
- In *Budget 2021* the budget increased by $3.344M:
    - Incremental funding increase of $1.739 M for resources to support Mandate Letter commitments and provincial COVID-19 response initiatives; and
    - Base funding of $1.605 M to establish a Planning and Priorities Secretariat (PPS).
- In *Budget 2020* the budget increased by $0.029M:
    - Fiscal adjustment of ($0.513M) reduction in budgets for government redirection of previously planned ministry budget allocations to core programs and services,
    - $0.042M to reflect the benefits rate for 2020/21; and

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February 15, 2023

  - Partially offset by an increase of $0.500M in base budget funding to meet government's commitment to enhanced public engagement and communication.

- In *Budget 2019* the budget increased by $0.044M to reflect the benefits rate for 2019/20, which included an allocation for the cost of the Employer Health Tax.

- In *Budget 2018* the budget increased by $0.294M:

  - $0.250M to increase funding for the Francophone Affairs Program to offset the administrative costs of the program and reallocate the funds to provide grants used to improve services for British Columbians.

  - $0.029M to reflect the benefits rate for 2018/19

  - $0.015M to reflect salary increased negotiated under the Economic Stability Mandate.

$ millions	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sep 2017 Service Plan	**11.011**					
Base Budget Build	0.294					
Feb 2018 Service Plan	**11.305**	**11.305**	**11.305**	**11.305**		
Benefits Chargeback Rate		0.044	0.000	0.000		
Feb 2019 Service Plan		**11.349**	**11.349**	**11.349**	**11.349**	
Benefits Chargeback Rate			0.042	0.042	0.042	
Fiscal Adjustment			(0.513)	(0.513)	(0.513)	
Base Budget Build			0.500	0.500	0.500	
Feb 2020 Service Plan			**11.378**	**11.378**	**11.378**	**11.378**
Budget 2021 Resourcing				3.344	3.344	3.344
Feb 2021 Service Plan				**14.722**	**14.722**	**14.722**
Legal Services Funding					0.014	0.014
Feb 2022 Service Plan					**14.736**	**14.736**
SRM Allocations						0.686
Base Budget Build						0.667
Feb 2023 Service Plan						**16.089**
Year over Year Change	**0.294**	**0.044**	**0.029**	**3.344**	**0.014**	**1.353**
Net Change Since Feb 2018		**0.044**	**0.073**	**3.417**	**3.431**	**4.784**

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February 15, 2023

CORPORATE SERVICES DIVISION
ESTIMATES FACT SHEET

NAME: 2022/23 Budget vs YTD Actuals

Office of the Premier
Financial Report Summary Table

Core Business Areas	Estimated	Other Authorizations[1]	Total Estimated	Actual[2]	Variance Over/(Under)
Operating Expenses ($000)					
Intergovernmental Relations Secretariat	**3,479**	0	**3,479**	**3,983**	**504**
Cabinet Operations	**2,099**	0	**2,099**	**2,056**	(43)
Planning and Priorities Secretariat	**1,610**	0	**1,610**	**1,364**	(246)
Executive and Support Services	**7,504**	0	**7,504**	**6,791**	(713)
Premier's Office	4,810	0	4,810	4,851	41
Corporate Services	2,694	0	2,694	1,940	(754)
Sub Total -Operating Expenses	**14,692**	**0**	**14,692**	**14,194**	**(498)**
Adjustment of Prior Year Accrual	0	0	0	0	0
Total	**14,692**	**0**	**14,692**	**14,194**	**(498)**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Capital Expenditures[3]	3	0	3	12	9
Total	**3**	**0**	**3**	**12**	**9**

1 "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the Balanced Budget and Ministerial Accountability Act for ministerial accountability for operating expenses under the Act.
2 The amounts presented in the above table are actuals as of March 31, 2023. Any discrepancies between these amounts and the Public Accounts, the Public Accounts will be taken as accurate and final.
3 The incurred capital expenditures were for the purchase of audio-visual equipment for Cab Ops.

Contact: Amy McAleese **Phone:** Government
Branch: Corporate Financial & Facilities Services

Budget Summary
OFFICE OF THE PREMIER
($000)

	2022/23 Restated	2023/24	22/23 to 23/24	2024/25	23/24 to 24/25	2025/26	24/25 to 25/26
Intergovernmental Relations Secretariat							
Service Plan 22/23	**3,479**	**3,479**	**0**	**3,479**	**0**	**3,479**	**0**
SRM Funding		189	189	211	22	211	0
Service Plan 23/24	**3,479**	**3,668**	**189**	**3,690**	**22**	**3,690**	**0**
Cabinet Operations							
Service Plan 22/23	**2,099**	**2,099**	**0**	**2,099**	**0**	**2,099**	**0**
SRM Funding		94	94	105	11	105	0
Service Plan 23/24	**2,099**	**2,193**	**94**	**2,204**	**11**	**2,204**	**0**
Planning and Priorities Secretariat							
Service Plan 22/23	**1,610**	**1,610**	**0**	**1,610**	**0**	**1,610**	**0**
SRM Funding		79	79	89	10	89	0
Service Plan 23/24	**1,610**	**1,689**	**79**	**1,699**	**10**	**1,699**	**0**
Office of the Premier							
Service Plan 22/23	**4,810**	**4,810**	**0**	**4,810**	**0**	**4,810**	**0**
SRM Funding		207	207	231	**24**	231	
Base Budget increase		667	667	667	**0**	667	0
Service Plan 23/24	**4,810**	**5,684**	**874**	**5,708**	**24**	**5,708**	**0**
Deputy Minister's Office							
Service Plan 22/23	**2,694**	**2,694**	**0**	**2,694**	**0**	**2,694**	**0**
SRM Funding		117	117	129	**12**	129	0
Service Plan 23/24	**2,694**	**2,811**	**117**	**2,823**	**12**	**2,823**	**0**
TOTAL							
Service Plan 22/23	**14,692**	**14,692**	**0**	**14,692**	**0**	**14,692**	**0**
SRM Funding	0	686	686	765	**79**	765	
Base Budget increase	0	667	667	667	**0**	667	0
Service Plan 23/24	**14,692**	**16,045**	**1,353**	**16,124**	**79**	**16,124**	**0**

OFFICE OF THE PREMIER
ESTIMATES FACT SHEET

NAME: FTE Burn by Core Business 2022-23

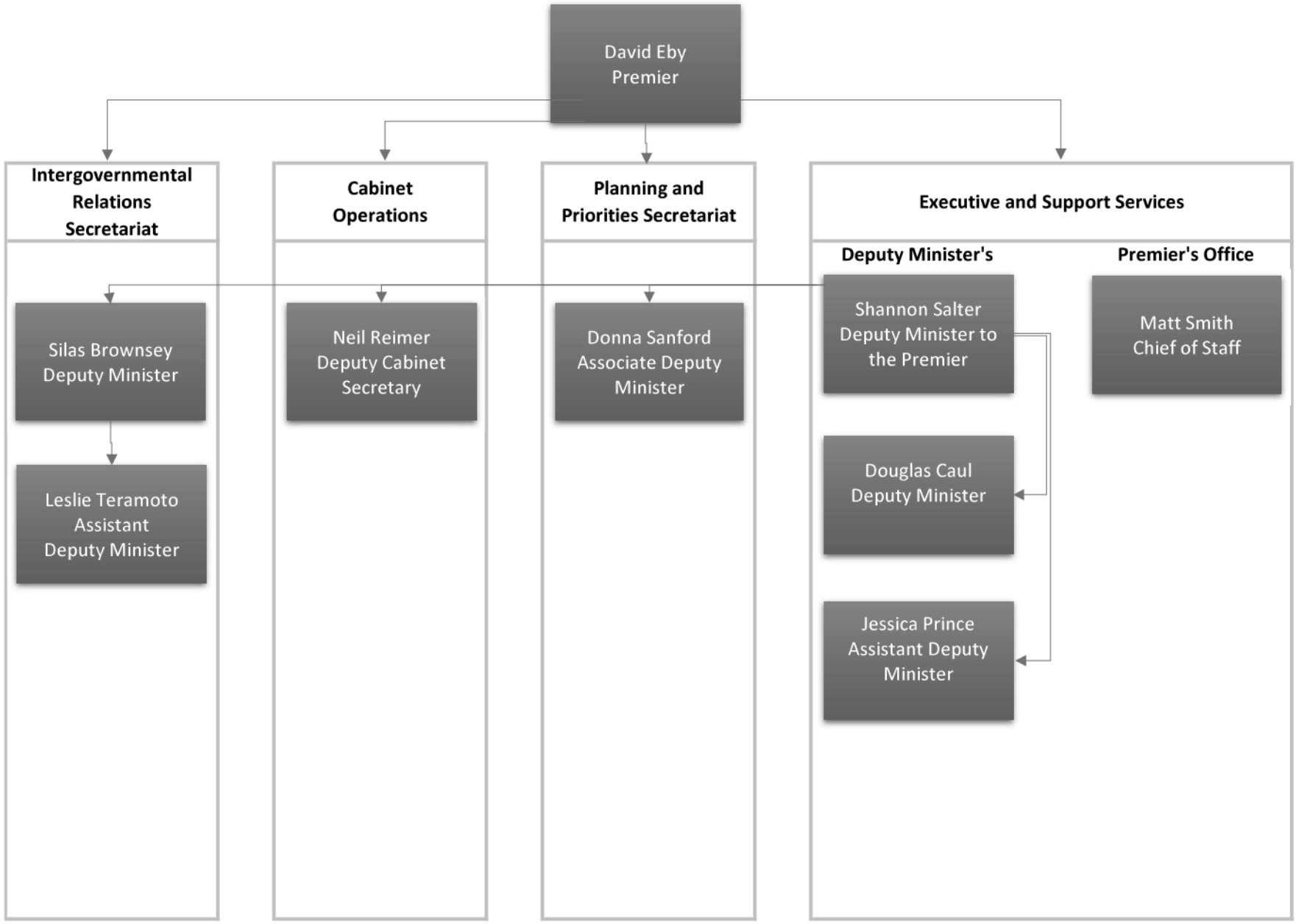
Office of the Premier

FTE Burn by Core Business 2022/23

	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	2023 Average	2022 Average	2021 Average
Vote 11 - Office of the Premier															
Intergovernmental Relations Secretariat	29.2	28.2	26.0	25.7	25.6	28.2	26.5	26.3	26.8	27.5	27.0	27.3	27.0	27.4	25.7
Cabinet Operations	12.6	13.2	13.2	14.0	14.0	14.8	14.0	13.3	13.0	13.7	14.0	13.3	13.6	13.8	13.7
Planning and Priorities Secretariat	10.5	10.0	9.3	9.9	9.0	9.0	9.0	9.0	8.3	8.0	8.5	9.9	9.2	8.9	4.5
Executive Operations	40.0	40.7	42.9	42.3	40.0	39.5	38.1	38.1	38.4	40.5	42.1	41.5	40.3	41.2	40.6
Premier's Office	29.8	30.7	32.6	32.3	30.0	29.5	28.2	29.1	27.9	30.5	32.1	31.5	30.3	31.2	27.0
Deputy Minister's Office	10.2	10.0	10.4	10.0	10.0	10.0	10.0	9.1	10.5	10.1	10.0	10.0	10.0	10.0	13.6
Total Office of the Premier	**92.3**	**92.0**	**91.4**	**91.8**	**88.6**	**91.4**	**87.6**	**86.8**	**86.4**	**89.6**	**91.6**	**91.9**	**90.1**	**91.3**	**84.5**

Contact: Amy McAleese **Phone:** Government
Branch: Corporate Financial & Facilities Services **Page:** 1 of 1

OFFICE OF THE PREMIER



Office of the Premier

2023/24 – 2025/26 Service Plan

February 2023

BRITISH COLUMBIA

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Premier's Accountability Statement



The Office of the Premier 2023/24 – 2025/26 Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

Honourable David Eby
Premier
February 15, 2023

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Strategic Direction

In 2023/24, the Government of British Columbia will continue our work to make life better for people in B.C., improve the services we all rely on, and ensure a sustainable province for future generations. Government will focus on building a secure, clean, and fair economy, and a province where everyone can find a good home – whether in a rural area, in a city, or in an Indigenous community. B.C. will continue working toward true and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in a prosperous province. The policies, programs and projects developed over the course of this service plan period will focus on results that people can see and feel in four key areas: attainable and affordable housing, strengthened health care, safer communities, and a secure, clean, and fair economy that can withstand global economic headwinds.

This 2023/24 service plan outlines how the Office of the Premier (the Office) will support the government's priorities and action items identified in the mandate letters issued by the Premier to ministers and parliamentary secretaries in December 2022.

Purpose of the Office of the Premier

The Premier serves as the President of the Executive Council (Cabinet) of the Government of British Columbia. The Office of the Premier assists the Premier in overseeing and leading government. In addition, it supports the Cabinet decision-making process. As a central agency, the Office facilitates effective policy coordination across the public service and ensures a strategic and corporate level approach is undertaken on the development and implementation of key priorities. The Premier is advised by the Deputy Minister to the Premier, Cabinet Secretary and Head of the Public Service on matters of public policy and management and operational issues. The Office of the Premier:

- Articulates government's goals, commitments, and priorities through minister mandate letters, and works with ministries and Crown agencies to ensure communication of those goals, commitments, and priorities and to track and monitor their implementation.
- Leads the public service and, with the Deputy Ministers' Council, commits to be a top employer that maintains and enhances public trust, builds capacity, increases our competitiveness, and manages for results.
- Provides support for the operations and decision-making processes of Cabinet and its committees; and
- Works directly with the federal, provincial, and territorial governments, with governments in other countries and with all ministries and Crown agencies to ensure that relations with the federal, provincial, territorial, and international governments advance British Columbia's interests.

Performance Planning

Goal 1: Establish government goals, commitments, and strategic priorities

Objective 1.1: Establish government goals, commitments, and strategic priorities

Continue to ensure a government-wide focus on supporting and strengthening our pandemic-strained public health care system, responding to severe wildfire and weather events, advancing reconciliation with Indigenous peoples, delivering attainable and affordable housing, safer communities, and building a sustainable, clean, secure, and fair economy.

Key Strategies

- Set out the key goals, commitments, and strategic priorities of government.
- Assign responsibility for the delivery of these goals, commitments and priorities to ministries, central agencies and Crown corporations through mandate letters provided to Cabinet Ministers and/ or government organizations.
- Lead the Deputy Minister's Council.
- Supported by the Planning and Priorities Secretariat, determine the priority sequence for the implementation of government goals, commitments, and priorities, aligned with government's fiscal and delivery capacity.
- Monitor progress on implementing government's goals and priorities.

Discussion

As the head of government for British Columbia, the Premier is the first minister and chief officer of the executive branch, implementing the goals, commitments, and strategic priorities for government.

Performance Measures

Performance Measure	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
1.1 Number of members of Deputy Minister's Council that are meeting performance expectations	33	33	33	33

Data source: Deputy Minister's Office

Goal 2: Lead the Executive Council

Objective 2.1: Lead the Executive Council

Cabinet Operations supports the Deputy Minister to the Premier in setting out the framework for Cabinet and Cabinet Committee decision-making.

Key Strategies

- Assist and guide government ministries in the development of Cabinet Submissions, ensuring cross-government alignment with government commitments and priorities.
- Effectively provide the necessary and appropriate logistical support for the operations and decision-making process of Cabinet and its Committees.
- Ensure the complete, thorough, and accurate recording of Cabinet and Cabinet Committee decision-making.

Discussion

Cabinet committees and ministries provide prompt and effective advice enabling timely and well-informed Cabinet decisions benefiting British Columbians.

Performance Measures

Performance Measure	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
2.1 Cabinet received timely advice on all key public policy recommendations and plans	100%	100%	100%	100%

Data source: Cabinet Operations

Goal 3: Foster Intergovernmental Relations

The Intergovernmental Relations Secretariat (IGRS) advances British Columbia's priorities through leadership in intergovernmental partnerships and international relations. IGRS is also responsible for Francophone Affairs and manages ceremonial and protocol activities.

Objective 3.1: Create and cultivate a network of culturally respectful relationships and advance B.C.'s strategic interests.

Key Strategies

- Expand face-to-face engagement with the federal government at all levels, while maintaining current initiatives to advance B.C.'s priorities including healthcare, affordability, safer communities, housing, reconciliation, and sustainable economic growth and job creation. Work with provinces and territories to support this work in areas of shared interest.

- Support diversification and strengthening of our open B.C economy by developing international trade opportunities in line with the federal government's Indo-Pacific strategy, including at least two trade missions to develop relationships and business opportunities in the next 18 months with a focus on clean energy.
- Strengthen partnerships with federal government and other provinces and territories through bilateral and multilateral cooperation on shared priorities discussed at First Ministers' meetings, the Council of the Federation, Western Premiers' Conference, and other Premiers' meetings.
- Identify alignment and pursue opportunities to develop and strengthen bilateral relations with U.S. state and federal governments and promote B.C.'s interests and objectives through the Pacific Coast Collaborative, Cascadia Innovation Corridor, British Columbia's participation in the Pacific NorthWest Economic Region and other opportunities as they arise, including at least two trade missions in the next 18 months, focused on clean energy and export opportunities.
- Advance British Columbia's priorities through strategic engagement with international partners Global Affairs Canada, the diplomatic community, and international organizations.
- Develop new opportunities with relevant Ministries to showcase B.C. businesses, services, and products internationally and across Canada to diversify and expand our trade relationships, supporting economic growth.
- Lead and coordinate the government's diplomatic, protocol and ceremonial activities, and maintain relationships with the Consular Corps of B.C.
- Support government initiatives and partnerships to increase the Province's capacity to provide information and services in French, and lead B.C.'s engagement with the Ministerial conference on the Canadian Francophonie.

Discussion

Cabinet is informed on a regular basis on upcoming intergovernmental meetings and initiatives, including comprehensive strategic advice on engagement with federal and other governments.

Performance Measures

Performance Measure	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
3.1 Progress on Key Intergovernmental Objectives	100%	100%	100%	100%

Data source: Intergovernmental Relations Secretariat

Financial Summary

Core Business	2022/23 Restated Estimates[1]	2023/24 Estimates	2024/25 Plan	2025/26 Plan
Operating Expenses ($000)				
Intergovernmental Relations Secretariat	3,479	3,668	3,690	3,690
Cabinet Operations	2,099	2,193	2,204	2,204
Planning and Priorities Secretariat	1,610	1,689	1,699	1,699
Executive and Support Services	7,504	8,495	8,531	8,531
Premier's Office	4,810	5,684	5,708	5,708
Deputy Minister's Office	2,694	2,811	2,823	2,823
Total	**14,692**	**16,045**	**16,124**	**16,124**
Capital Expenditures (Consolidated Revenue Fund) ($000)				
Executive and Support Services	3	3	3	3
Total	**3**	**3**	**3**	**3**

[1] For comparative purposes, amounts shown for 2022/23 have been restated to be consistent with the presentation of the *2023/24 Estimates*.

* Further information on program funding and vote recoveries is available in the Estimates and Supplement to the Estimates.

Appendix A

2023/24 - 2025/26 Budget and Fiscal Plan

Office of the Premier (PREM)

	2023/24 Estimates	2024/25 Plan	2025/26 Plan
Operating Expense ($ million)			
Budget 2022	**14.692**	**14.692**	**14.692**
Budget 2023 Inter-ministry Program Transfers			
Restated *Budget 2022* Plan and Adjustments	**14.692**	**14.692**	**14.692**
Ministry Specific *Budget 2023 Decisions:*			
Base Budget Increase	0.667	0.667	0.667
Shared Recovery Mandate	0.686	0.765	0.765
Budget 2023	**16.045**	**16.124**	**16.124**
CRF Capital Expenditures ($ million)			
***Budget 2022* - CRF Capital**	**0.003**	**0.003**	**0.003**
Ministry Specific *Budget 2023 Decisions:*			
N/A	-	-	-
***Budget 2023* - CRF Capital**	**0.003**	**0.003**	**0.003**

Appendix A

PREM Contingencies as of April 1, 2023

	2023/24		2024/25		2025/26	
General Programs Contingencies ($ million)	Approval	Approved-in-Principle	Approval	Approved-in-Principle	Approval	Approved-in-Principle

Cabinet Confidences; Government Financial Information

Appendix B: 2023/24 Operational Policies, Procedures and Directives

This Appendix has the following sections:

1. Policy or Program Proposals with Financial Implications
2. Operating Contingencies
3. Year-End Funding
4. *BBMAA*, Statutory Appropriations, and Special Accounts
5. Commercial Crown Corporations, Taxpayer-supported Service Delivery Agencies and SUCH Sector Organizations - Fiscal Target Management
6. STOB Management
7. Public Sector Compensation
8. Property Management and Shared Services BC
9. Other Budget Management Requirements

1) Policy or Program Proposals with Financial Implications

Ministries must seek prior Treasury Board approval of:

- Any new policies or programs;
- Changes to existing policies or programs;
- Significant long-term contracts and contract renewals; or
- Major alternative service delivery projects/agreements

Per Treasury Board Directive 2/96, all new program proposals must include a program design plan; a three-year business plan; and a clear description of the accountability structure.

Ministries must identify financial implications of proposed changes, which may include changes or a risk of changes to government's revenues, expenditures, assets, or liabilities. Cross-ministry financial implications must also be considered and identified, including any facilities or IM/IT requirements for the Ministry of Citizens' Services (CITZ).

Consistent with Government's Core Policy and Procedures Manual (CPPM), Treasury Board approval is required for all projects and initiatives (such as corporate services funded through chargebacks or capital projects) that assume contributions from other ministries to fund or partially fund costs. Please refer to Treasury Board Directives for applicable policies and consult with Treasury Board Staff (TBS) if you have any questions on these requirements.

a. Targeted Expenditures

Budget 2023 provides base budget lifts for targeted initiatives or programs. Ministries may not reallocate targeted funds, including staff specific funding, to other ministry programs without prior approval from the Chair of Treasury Board unless otherwise specified.

b. Revenues

Any adjustment to revenue policies including revenue rates, credits, remissions, etc. requires prior approval. Ministry staff should consult TBS to determine the appropriate process.

c. Treasury Board Submissions

Ministry staff are required to engage with TBS prior to the development of Treasury Board submissions. Ministry submissions must include multiple options that outline internal capacity to fund existing program pressures as well as any proposed new initiatives. Every option presented must be viable, without any assumptions of future incremental funding. Ministries should clearly articulate implications should no additional funding be available.

Ministries are required to consult with TBS to ensure that all pertinent information required by Treasury Board to make an informed decision is included in the ministry's submission prior to obtaining final ministerial approval.

Advice/Recommentations

Please refer to the Performance Budgeting Office intranet site for information outlining the Treasury Board submission process/timelines.

Other Specific Considerations:

Gender Based Analysis Plus (GBA+) and Indigenous Considerations

All Treasury Board submissions are expected to outline how GBA+ and Indigenous considerations have been included in the ministry proposal. Please refer to the Cabinet/ Treasury Board Request for Decision template for more guidance.

In 2022/23, government provided an investment of $200 million to the New Relationship Trust, which will support the provision of capacity funding to all First Nations. The priority of this investment is to support First Nations' participation in implementing the Declaration Act Action Plan and legislative alignment work, but can also support all strategic, policy, and legislative engagements.Cabinet Confidences

Cabinet Confidences

Submissions with CleanBC and Other Climate-Related Considerations

Ministries must engage with the Ministry of Environment and Climate Change Strategy in the development of any Treasury Board submissions related to CleanBC and other climate-related programming in addition to any submissions with implications for the Province's greenhouse gas emission reduction targets.

Ministries with measures that reduce greenhouse gas emissions or adapt to climate change are to work with the Ministry of Environment and Climate Change Strategy to identify ways to incorporate emission reductions associated with those measures into tracking progress towards the Province's reduction targets, and as part of annual climate accountability reporting. This includes emission reductions measures associated with CleanBC programs, investments outside of CleanBC, regulatory measures, and any other measures to reduce emissions.

Submissions with FTE Requests

Given the tight labour market and existing vacancies across government, Ministries are directed to limit new FTE growth, to the extent possible. This may include identifying ways to leverage or redirect existing resources or finding other ways to create efficiencies through process improvements or technology.

Ministries that are proposing net new FTE requests that are beyond what has been approved via *Budget 2023* are requested to engage with the Public Service Agency to understand implementation considerations and timelines and to include this in their proposal for Treasury Board's consideration.

d. Cabinet, Cabinet Committee and Cabinet Working Group Submissions

TBS are responsible for reviewing the financial implications of initiatives presented to Cabinet, Cabinet Committees, and Cabinet Working Groups. It is expected that ministry staff and TBS will work together during the drafting of the submission to ensure the accuracy of the presentation of fiscal risks and impacts.

Ministry Executive Financial Officers (EFOs) must review the fiscal impacts and risks prior to finalizing all Cabinet/Treasury Board submissions and consult with the Office of the Comptroller General (OCG) to ensure accurate accounting treatment. Working through ministry EFOs, ministry staff are to notify TBS when draft and final submissions, or other materials such as PowerPoints or appendices to the submissions, are posted to the Cabinet Operations SharePoint site.

Advice/Recommentations

This process applies to the materials proceeding to Cabinet, Cabinet Committees and Cabinet Working Groups. Advice/Recommentations

Advice/Recommentations

e. Regulation Changes

Ministries must obtain Treasury Board approval prior to proposing regulation changes with fiscal implications for government or government agencies (e.g., Crown corporations). Ministries are also accountable for ensuring appropriate consultation is undertaken to evaluate the potential fiscal implications across government. If fiscal implications are expected, ministries should engage TBS early to obtain Treasury Board approval in time to meet implementation timelines. For regulation changes made through Orders in Council (OIC), the ministry EFO must review and agree to the fiscal impacts and risks. If fiscal impacts are identified, Ministry staff are expected to engage with their Treasury Board

Analyst well in advance of submitting the OIC package to Cabinet Operations to ensure that fiscal implications have appropriate Treasury Board approval.

f. Public Release of Reports and Other Public Commitments

Advice/Recommentations

2) Operating Contingencies

Advice/Recommentations

Please refer to Appendix C for information about Capital Contingencies.

3) Year-End Funding

Advice/Recommentations

4) *BBMAA*, Statutory Appropriations, and Special Accounts

Under section 3 of the *Balanced Budget and Ministerial Accountability Act* (*BBMAA*), your ministerial salary is reduced by 10 per cent. This will be restored on the day after the *2023/24 Public Accounts* are released, provided your ministry's actual 2023/24 operating spending does not exceed your operating expense accountabilities outlined in Schedule F of the *2023/24 Estimates*.

Notwithstanding the exclusions of statutory appropriations from Schedule F, your ministry is not to exceed your ministry's 2023/24 budget allocation and future year targets noted in the body of this letter without prior Treasury Board approval.

Unless otherwise directed by Treasury Board, any special account decrease in revenues or increase in expenses, or financing transaction disbursements above the amounts outlined in the *2023/24 Estimates* requires Treasury Board approval. Advice/Recommentations
Advice/Recommentations

5) Commercial Crown Corporations, Taxpayer-supported Service Delivery Agencies and SUCH Sector Organizations - Fiscal Target Management

Your ministry is responsible for overseeing the financial position and operating results of commercial Crown corporations, service delivery agencies and SUCH sector organizations (school districts, universities, colleges, health authorities and hospital societies) that fall under your legislated responsibilities.

Commercial Crown corporations are expected to meet or exceed their net income projections as identified in their three-year service plans as tabled under *Budget 2023*. Advice/Recommentation
Advice/Recommentations

Service delivery agencies and SUCH sector organizations are required to meet or exceed their financial targets as identified in their three-year service plans as tabled under *Budget 2023*, unless prior Treasury Board approval is provided. Advice/Recommentations
Advice/Recommentations

Ministries with SUCH sector responsibilities are required to report quarterly to TBS on progress in achieving *Budget 2023* financial targets and to ensure their organizations will

collectively meet bottom line, net expense, and debt targets. In addition, all ministries are required to ensure the agencies and organizations for which they are responsible manage their capital projects within approved project budgets or previously approved envelopes, and where necessary develop strategies to ensure projects and envelopes remain within approved provincial funding limits.

6) STOB Management

Expenditure management controls remain in effect for *Budget 2023*.Advice/Recommentations

Advice/Recommentations

Page 52 of 85

Withheld pursuant to/removed as

Advice/Recommentations

Advice/Recommentations

7) Public Sector Compensation

a. B.C. Public Sector Compensation

Advice/Recommentations; Government Financial Information

b. 2022 Shared Recovery Mandate

Budget 2023 includes base budget increases for known costs related to agreements ratified prior to December 31, 2022 Cabinet Confidences

Cabinet Confidences

Cabinet Confidences

Government Financial Information

Government Financial Information

c.) Union Equivalent Employees

Cabinet Confidences

d.) *Excluded Employees*

Cabinet Confidences

Cabinet Confidences Advice/Recommentations
Advice/Recommentations

8) Property Management and Shared Services

a. Effective Property Management

As one of the largest owners and tenants of real estate in British Columbia, the Province has an obligation to responsibly manage the real estate portfolio in the best interests of taxpayers. All organizations throughout the Government Reporting Entity, including ministries, SUCH sector organizations (school districts, universities, colleges, and health authorities), and Crown corporations and agencies, are expected to follow the Inventory Policy for Real Property. This policy includes the requirement to identify properties that are surplus to an organization's needs to CITZ, which is managing this information on behalf of the Province.

Advice/Recommentations

b. CITZ - Shared Services

Ministries are expected to continue to work cooperatively with CITZ to actively manage down their consumption and reduce governments cost for information technology and

facilities, to generate efficiencies and control costs.Cabinet Confidences
Cabinet Confidences

Corporate Supply Arrangements (CSAs) have been established for use by government ministries and public sector organizations in B.C. to provide value for taxpayers. Ministries must not use any procurement or solicitation instrument (e.g., RFP) to acquire goods or services that are currently available through a CSA. As well, broader public sector organizations in the province may be eligible to access the pricing, terms and conditions set out in many of these supply arrangements. Please access the Goods and Services Catalogue for more information.

Procurement and Oversight of Complex/High Risk Services

The Strategic Partnerships Office (SPO) in Citizens' Services (CITZ) is responsible for providing central coordination and expertise across core government in the business planning, sourcing and management of government's strategic service contracts.Cabinet Confidences
Cabinet Confidences

more information, please visit SPO's webpage on the Citizens' Services, Procurement and Supply Division intranet site.

For information regarding IM/IT Capital Investments, please refer to Appendix C.

9) Other Budget Management Requirements

Cabinet Confidences

b. Recoveries, Fees and Fines

Cabinet Confidences

All fee proposals (i.e., new, increase, decrease, elimination, exemption or change in scope of coverage) must be reviewed by Treasury Board. The Fee Treasury Board Submission template is located on the TBS Performance Budgeting Office intranet site.

Consistent with the principle of ministerial accountability, each ministry and program area charging fees is responsible for ongoing monitoring of its fees to ensure that the approved fee rates continue to be appropriate and consistent with relevant government policies and regulations. Cabinet Confidences
Cabinet Confidences

Ministries are reminded that the fee database is only updated when changes have been legally authorized by Cabinet Regulation / OIC, Ministerial Order or Minister of Finance Directive. The current fee database is available on the TBS intranet site. To keep the database current, it is important that ministries notify TBS at Cabinet Confidences once legal authorization for fees has been received.

Cabinet Confidences

For further information on the funding and approval process, please contact the Ministry of Forests.

Appendix C: 2023/24 Capital Policies, Procedures and Directives

This Appendix on **Capital Management** has the following sections:

1) Priority Investments (non-IM/IT)
2) Routine Capital Envelopes
3) IM/IT Capital Investments and Maintenance
4) CRF Capital
5) Governance
6) Procurement
7) Reporting

Cabinet Confidences

[1] Please refer to the Supplemental Capital Definitions on the Treasury Board Staff (TBS) intranet site for definitions: https://intranet.gov.bc.ca/assets/intranet/mtics/ocio/imit-capital-investments/imit_capital_investment_management_framework_march2017.pdf

Security Concern

Cabinet Confidences

Ministries are expected to manage within the project scope, schedule and budget as approved by Treasury Board. Cabinet Confidences
Cabinet Confidences

Cabinet Confidences For more information on completing a Concept Plan and Business Plan, please refer to the Concept Plan Guideline and Business Plan Guideline.

Ministries are to follow the guidance of the Environmental, Social and Governance Framework for Capital (ESGFC) as previously communicated. Please refer to the ESGFC guidance document and its associated appendices for details. For copies of these documents please contact Treasury Board Staff.

2) Routine Capital Envelopes

Routine Capital funding envelopes enable ministries to address deferred maintenance and achieve an acceptable level of condition for Government's capital assets.

CITZ is responsible for corporately managing the CRF Routine Capital envelope for facilities and tenant improvements of ministries. Cabinet Confidences
Cabinet Confidences

3) IM/IT Capital and Transformation and Technology Funding
Cabinet Confidences

Cabinet Confidences

4) CRF Capital

Cabinet Confidences

Security Concern

[4] For Terms of Reference, see https://intranet.gov.bc.ca/assets/intranet/mtics/ocio/imit-capital-investments/dib_terms_of_reference_-_approved_-_march_18_2021.pdf .

Cabinet Confidences

5) Governance

Ministries are responsible for the oversight of planning, delivery, and reporting of capital projects in their respective sectors, including those capital projects undertaken by agencies and Crown Corporations for which they are responsible. Cabinet Confidences
Cabinet Confidences

Ministries are responsible for following the Capital Asset Management Framework, including in the planning and governance of capital projects. Ministry capital spending and processes may be subject to audit to review alignment with the Capital Asset Management Framework.

6) Procurement

Ministries/agencies are to consider a full range of viable procurement options during the procurement options analysis of projects.
Cabinet Confidences

7) Reporting

All ministries must submit quarterly capital financial and capital project reporting updates via the Capital Planning System database to the Performance Budgeting Office, TBS for their ministry

and respective agencies and Crown Corporations included in the Government Reporting Entity. Financial reporting must be consistent with quarterly updates provided to the Fiscal Planning and Estimates Branch, TBS, and the Office of the Comptroller General.

Cabinet Confidences

The *Budget Transparency and Accountability Act* requires public disclosure for all major capital projects, defined as those with a total cost of $50 million or greater. Within one month of the approval of the project by Cabinet, the minister responsible must make public a major capital project plan outlining the objectives, costs, benefits, and risks of the project. Making public means either laying the document before the Legislative Assembly, if it is in session, or filing the document with the Clerk of the Legislative Assembly, if the Legislative Assembly is not in session and making the document available to the general public in a reasonable manner, which may include by electronic means.

Cabinet Confidences

For detailed guidance on major capital project reporting related to risk screens, concept plan guidelines, and business plan guidelines, refer to the TBS intranet site[5].

Security Concern

April 3, 2023
496792

STRICTLY Confidential

Shannon Salter
Deputy Minister to the Premier, Cabinet Secretary and Head of the Public Service
Office of the Premier
West Annex, Parliament Buildings
Victoria BC V8V 1X4

Dear Colleague:

On February 28, 2023, our government tabled *Budget 2023*, the three-year Budget and Fiscal Plan, and ministry and Crown Agency Service Plans for the 2023/24 to 2025/26 period.

Budget 2023 provides significant new investments to tackle today's biggest challenges and help build a stronger and more secure future for B.C. This includes new funding to support health, housing, and reduce costs for people, as well as fighting climate change and building a stronger economy for everyone. The budget also reaffirms government's commitment to diversity, inclusion and equity, and to true and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the inclusive and sustainable province we are building together.

As we look to the year ahead, we anticipate an economic slowdown globally and in B.C. At the same time, we know that this year's fiscal position will look very different from the surplus last year. It will be more important than ever to demonstrate our commitment to fiscal discipline and sustainability by collectively prioritizing our limited human and financial resources. This includes reassessing programs to ensure they deliver our intended outcomes and continue to respond to the priorities of British Columbians.

Cabinet Confidences

Your 2023/24 budget allocations and future year targets are listed in the table below. Final budgets will be confirmed once Final Supply is passed after the conclusion of the Estimates debate.

…/2

Ministry of Finance
Treasury Board
Mailing Address
PO Box 9469 Stn Prov Govt
Victoria BC V8V 9V8
Location Address:
1st Floor – 617 Government St
Victoria BC

2023/24 Budget Allocations and Future Year Targets			
($ millions)	**2023/24**	**2024/25**	**2025/26**
Operating	16.045	16.124	16.124
CRF Capital	0.003	0.003	0.003
Capital Vote Funding	-	-	-

Please refer to Appendix A for a summary of *Budget 2023* budget decisions and your ministry's approvals as of April 1, 2023 to the Contingencies (All Ministries) and New Program Vote (Contingencies). Contingencies allocations identified in Appendix A replace all previous Contingencies approvals provided through decision letters prior to April 1, 2023. Ministries are expected to manage to their budgeted appropriations to minimize draw on Contingencies.

Please ensure your ministry continues to work closely, and in a timely manner, with Treasury Board Staff to identify any areas of risk to your budget and develop mitigation strategies to ensure you meet your budget targets as per the *Financial Administration Act* and the *Balanced Budget and Ministerial Accountability Act*.
Please refer to Appendix B and Appendix C for further operational policies, procedures and directives related to operating and capital management, respectively.

Ministry Specific Budget Direction

The following directions apply specifically to your ministry.

Base Funding

Budget 2023 provides a $0.667 million budget lift starting in 2023/24 for staffing, travel and information systems.

Operating Contingencies

Cabinet Confidences

Thank you for your ongoing commitment to making life better for people in B.C., improving the services we all rely on, and ensuring a sustainable province for future generations.

Sincerely,

Katrine Conroy
Minister of Finance
Chair of Treasury Board

See Attachments

cc: See attached Distribution List

Distribution List:

cc: Heather Wood
Deputy Minister
Ministry of Finance

Nicole Wright
Assistant Deputy Minister and Executive Financial Officer
Ministry of Finance

OFFICE OF THE PREMIER

The mission of the Office of the Premier is to provide leadership across government and Crown agencies to ensure timely decision making and effective service delivery, supported by the transparency and accountability of government practices.

SUMMARY

($000)

	Estimates 2022/23[1]	**Estimates 2023/24**
VOTED APPROPRIATION		
Vote 11 — Office of the Premier	14,692	**16,045**
OPERATING EXPENSES	14,692	**16,045**
CAPITAL EXPENDITURES [2]	3	**3**
LOANS, INVESTMENTS AND OTHER REQUIREMENTS [3]	—	**—**
REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES [4]	—	**—**

NOTES

[1] For comparative purposes, figures shown for the 2022/23 operating expenses; capital expenditures; loans, investments and other requirements; and revenue collected for, and transferred to, other entities are restated to be consistent with the presentation of the *2023/24 Estimates*. A reconciliation of restated operating expenses and capital expenditures is presented in Schedule A.

[2] A listing of estimated capital expenditures by ministry is presented in Schedule C.

[3] A summary of loans, investments and other requirements by ministry is presented in Schedule D.

[4] A summary of revenue collected for, and transferred to, other entities by ministry is presented in Schedule E.

OFFICE OF THE PREMIER

SUMMARY BY CORE BUSINESS

($000)

OPERATING EXPENSES	2022/23 Net	2023/24 ESTIMATES Gross	External Recoveries	Net
Core Business				
Intergovernmental Relations Secretariat	3,479	**4,369**	**(701)**	**3,668**
Cabinet Operations	2,099	**2,195**	**(2)**	**2,193**
Planning and Priorities Secretariat	1,610	**1,691**	**(2)**	**1,689**
Executive and Support Services	7,504	**8,497**	**(2)**	**8,495**
TOTAL OPERATING EXPENSES	14,692	**16,752**	**(707)**	**16,045**

CAPITAL EXPENDITURES	Capital Expenditures	Capital Expenditures	Receipts and P3 Liabilities	Net
Core Business				
Executive and Support Services	3	**3**	**—**	**3**
TOTAL	3	**3**	**—**	**3**

OFFICE OF THE PREMIER

VOTE DESCRIPTIONS

($000)

	Estimates 2022/23	**Estimates 2023/24**

VOTE 11 — OFFICE OF THE PREMIER

This vote provides for the programs, operations, and other activities described in the voted appropriations under the following core businesses: Intergovernmental Relations Secretariat, Cabinet Operations, Planning and Priorities Secretariat, and Executive and Support Services.

INTERGOVERNMENTAL RELATIONS SECRETARIAT

Voted Appropriation

Intergovernmental Relations Secretariat	3,479	**3,668**

Voted Appropriation Description: This sub-vote provides for management and administrative support for the Executive Council (Cabinet) in the development and coordination of advice, policy, negotiations, issues management, and public consultation relating to federal-provincial, interprovincial, and international relations initiatives. This sub-vote includes support for the Premier and Cabinet participation in First Ministers' Conferences, Premiers' Conferences, Joint Cabinet Meetings with neighbouring jurisdictions, and ministerial conferences. This sub-vote manages the Canada-British Columbia Agreement on French Language Services. This sub-vote provides for the deputy minister of the Intergovernmental Relations Secretariat and includes the Office of Protocol; and for costs of official ceremonies, programs for visiting dignitaries, government-hosted functions, and government honours and awards by authority of the *Provincial Symbols and Honours Act*. Costs may be recovered from ministries, organizations within the government reporting entity, and parties external to government for activities described within this sub-vote.

CABINET OPERATIONS

Voted Appropriation

Cabinet Operations	2,099	**2,193**

Voted Appropriation Description: This sub-vote provides for the support of Executive Council and Executive Council Committees; the provision of policy, planning, and operational support to the Executive Council and its committees; the provision of support to ministries and Crown agencies in the development and submission of materials to Executive Council and its committees; and for the planning and coordination of legislative priorities, including coordination of Orders in Council. Costs may be recovered from ministries, organizations within the government reporting entity, and parties both internal and external to government for activities described within this sub-vote.

PLANNING AND PRIORITIES SECRETARIAT

Voted Appropriation

Planning and Priorities Secretariat	1,610	**1,689**

Voted Appropriation Description: This sub-vote provides for strategic advice to the Premier, Executive Council, and the Planning and Priorities Cabinet Committee on the prioritization and sequencing of key initiatives of government. This sub-vote provides for the organization of Executive Council planning sessions and provides for the development of priority policy initiatives through engagement with ministries and coordination of cross-ministry work. Costs may be recovered from ministries, organizations within the government reporting entity, and parties both internal and external to government for activities described within this sub-vote.

OFFICE OF THE PREMIER

VOTE DESCRIPTIONS

($000)

	Estimates 2022/23	**Estimates 2023/24**
EXECUTIVE AND SUPPORT SERVICES		
Voted Appropriations		
Premier's Office	4,810	**5,684**
Deputy Minister's Office	2,694	**2,811**
	7,504	**8,495**

Voted Appropriations Description: This sub-vote provides for the Premier's office, the deputy minister's office, and the Minister without portfolio. This sub-vote also provides for the management of cross-government issues and corporate planning; support for cross-government and other initiatives that support government's mandate; and providing policy, planning, communications, and strategic support to the Executive Council, ministries, and Crown agencies, including government administration. Costs may be recovered from ministries, organizations within the government reporting entity, and parties both internal and external to government for activities described within this sub-vote.

VOTE 11 — OFFICE OF THE PREMIER	14,692	**16,045**

GROUP ACCOUNT CLASSIFICATION SUMMARY

GROUP ACCOUNT CLASSIFICATION		
Salaries and Benefits	12,511	**13,804**
Operating Costs	1,927	**1,987**
Government Transfers	1,003	**1,003**
Other Expenses	559	**559**
Internal Recoveries	(601)	**(601)**
External Recoveries	(707)	**(707)**
TOTAL OPERATING EXPENSES	14,692	**16,045**

OFFICE OF THE PREMIER
($000)

VOTE 11 Office of the Premier

Description	Total 2022/23 Operating Expenses	50	51	52	54	Total Salaries and Benefits	55	57	59	60	63	65	67	68	69
Intergovernmental Relations Secretariat	**3,479**	**2,528**	**9**	**648**	**—**	**3,185**	**—**	**80**	**9**	**37**	**94**	**531**	**—**	**—**	**1**
Cabinet Operations	**2,099**	**1,530**	**2**	**389**	**—**	**1,921**	**—**	**25**	**22**	**1**	**60**	**44**	**—**	**—**	**1**
Planning and Priorities Secretariat	**1,610**	**1,239**	**—**	**315**	**—**	**1,554**	**—**	**50**	**45**	**20**	**10**	**10**	**—**	**—**	**—**
Executive and Support Services	**7,504**	**5,525**	**28**	**1,483**	**108**	**7,144**	**—**	**427**	**62**	**150**	**117**	**135**	**—**	**—**	**5**
Premier's Office	4,810	3,848	5	1,023	108	4,984	—	325	—	100	67	59	—	—	—
Deputy Minister's Office	2,694	1,677	23	460	—	2,160	—	102	62	50	50	76	—	—	5
Total	**14,692**	**10,822**	**39**	**2,835**	**108**	**13,804**	**—**	**582**	**138**	**208**	**281**	**720**	**—**	**—**	**7**

70	72	73	75	Total Operating Costs	77	79	80	Total Govt Transfers	81	83	85	Total Other Expenses	86	88	Total Internal Recoveries	89	90	Total External Recoveries	Total 2023/24 Operating Expenses
5	**—**	**—**	**6**	**763**	**700**	**—**	**301**	**1,001**	**—**	**—**	**18**	**18**	**—**	**(598)**	**(598)**	**(1)**	**(700)**	**(701)**	**3,668**
1	**—**	**1**	**1**	**156**	**1**	**—**	**—**	**1**	**—**	**—**	**118**	**118**	**—**	**(1)**	**(1)**	**(1)**	**(1)**	**(2)**	**2,193**
—	**—**	**—**	**—**	**135**	**—**	**—**	**—**	**—**	**—**	**—**	**3**	**3**	**—**	**(1)**	**(1)**	**(1)**	**(1)**	**(2)**	**1,689**
25	**—**	**7**	**5**	**933**	**1**	**—**	**—**	**1**	**—**	**—**	**420**	**420**	**—**	**(1)**	**(1)**	**(1)**	**(1)**	**(2)**	**8,495**
1	—	2	—	554	—	—	—	—	—	—	146	146	—	—	—	—	—	—	5,684
24	—	5	5	379	1	—	—	1	—	—	274	274	—	(1)	(1)	(1)	(1)	(2)	2,811
31	**—**	**8**	**12**	**1,987**	**702**	**—**	**301**	**1,003**	**—**	**—**	**559**	**559**	**—**	**(601)**	**(601)**	**(4)**	**(703)**	**(707)**	**16,045**

Office of the Premier Salaries - March 31, 2023

Branch/ Unit	Classification	Position Title	Bi-weekly Rate[1]	Annual Rate[1]
Premier's Office - Executive Branch				
	Executive 2 MS	Chief of Staff	$8,414.07	$219,517.20
	Executive 1	Deputy Chief of Staff	$6,221.02	$162,302.06
	Executive 1	Deputy Chief of Staff	$5,730.32	$149,500.04
	Band 6 MS	Director of Communications	$5,182.20	$135,199.97
	Band 6 OIC	Executive Director	$5,059.55	$132,000.12
	Band 6 OIC	Dir,StratOutreach&StakehldrRel	$4,982.89	$130,000.11
	Band 6 OIC	Dir,StratOutreach&StakehldrRel	$4,791.24	$125,000.10
	Band 5 MS	Sr Advisor, Intergov Relations	$4,407.94	$115,000.07
	Band 5 MS	Director, Major Projects and Strategic Liaison	$4,887.90	$127,521.89
	Band 5 MS	Director of Policy	$4,407.94	$115,881.66
	Band 5 MS	Deputy Communications Director	$4,982.89	$130,000.11
	Band 4 MS	Director, Special Projects	$4,407.94	$115,000.07
	Band 4 MS	Director of Engagement	$4,695.41	$122,499.96
	Band 3 MS	ExecCoord to DCoS & HR Advisor	$3,767.83	$98,300.05
	Band 3 MS	Communications Manager	$3,641.34	$95,000.01
	Band 3 MS	Mgr, Comms & Stake Relations	$3,258.04	$84,999.98
	Band 3 MS	Mgr,StratOutreach&StaekhldrRel	$3,129.25	$81,639.94
	Band 2 MS	Executive Coordinator	$2,874.74	$74,999.95
	Band 2 MS	Executive Coordinator	$2,928.40	$76,399.91
	Band 1 OIC	Finance and Contracts Officer	$2,836.41	$73,999.95
	Band 1 MS	Executive Assistant	$2,642.92	$68,951.93
	Band 1 MS	Executive Assistant	$2,913.07	$75,999.96
	Band 1 MS	Executive Assistant	$2,642.85	$68,950.11
	Administrative Coordinator	Administrative Coordinator	$2,410.78	$62,895.56
	Administrative Coordinator	Administrative Coordinator	$2,478.46	$64,661.29
	Clerk R15	Administrative Assistant	$2,114.72	$55,171.56

Premier's Office - Correspondence Branch			
Band 3 MS	Manager, Correspondence Branch	$3,252.83	$84,864.06
Communications Officer R18	Correspondence Coordinator	$2,431.89	$63,446.31
Communications Officer R15	Communications Officer	$2,326.91	$60,707.45
Communications Officer R15	Correspondence Officer	$2,057.30	$53,673.52
Communications Officer R15	Correspondence Officer	$2,174.09	$56,720.49
Communications Officer R15	Correspondence Officer	$2,174.09	$56,720.49
Clerk R9	Correspondence Clerk	$1,971.22	$51,427.75
Clerk R9	Administrative Assistant	$1,845.59	$48,150.15
Corporate Services - Deputy Minister's Office			
Cabinet Sec & Depty to Premier	DM to Premier & Cab Secretary	$12,457.21	$324,999.89
Deputy Minister 2	DM, Policy & Coordination	$10,470.04	$273,156.01
Assistant Deputy Minister 1	ADM, Strategic Issues	$6,013.96	$156,900.01
Band 5 OIC	Director, Executive Operations	$4,468.65	$116,583.95
Band 1 OIC	Executive Administrative Coord	$2,864.89	$74,742.97
Band 1 OIC	Executive Administrative Coord	$2,870.92	$74,900.29
Clerk R12	Administrative Assistant	$2,140.29	$55,838.67
Cabinet Operations			
Assistant Deputy Minister 1	Deputy Cabinet Secretary	$6,013.96	$156,900.01
Band 5	Executive Director	$4,844.83	$126,398.22
Band 5	Executive Director	$4,468.65	$116,583.95
Band 5	Executive Director	$4,859.60	$126,783.56
Band 3	Cabinet Committee Director	$3,721.96	$97,103.33
Band 3	Cabinet Committee Director	$3,656.41	$95,393.18
Band 3	Cabinet Committee Director	$3,671.82	$95,795.21
Band 3	Manager, Cabinet Operations	$4,093.18	$106,788.20
Band 2	Records Management Officer	$3,328.32	$86,833.54
Band 1	OIC Coordinator, Cabinet Opns	$2,609.17	$68,071.42
Executive Administrative Asst	Executive Administrative Asst	$2,160.17	$56,357.32
Clerk R12	Branch Administrator	$1,947.99	$50,821.70

Planning & Priorities Secretariat			
Associate Deputy Minister	AssocDM, Plan&Priorities Sec.	$7,880.63	$205,600.12
Band 5 OIC	ED, Plng & Prior Secretariat	$4,816.42	$125,657.03
Band 5 OIC	ED, Plan&Priorities Sec	$5,299.76	$138,267.03
Band 5 OIC	ED, Plng & Prior Secretariat	$5,068.19	$132,225.53
Band 5 OIC	Exec Dir, Plan&Priorities Sec.	$4,816.42	$125,657.03
Band 3 OIC	Dir, Plng & Prior Secretariat	$4,066.15	$106,083.01
Band 3 OIC	Director, Plan&Priorities Sec	$4,066.04	$106,080.14
Band 3 OIC	Dir, Plng & Prior Secretariat	$4,026.17	$105,039.96
Band 3 OIC	Dir, Planning & Priorities	$3,997.63	$104,295.37
Band 1 OIC	Executive Coordinator	$2,601.59	$67,873.66
Intergovernmental Relations Secretariat Operations			
Deputy Minister 1	DM Intergovernmental Relation	$9,491.40	$247,623.98
Assistant Deputy Minister 1	ADM Intergovernmental Rel Sec	$6,013.96	$156,900.01
Band 5	Chief of Protocol & Exec Dir	$4,558.68	$118,932.77
Band 5	Exec Dir, Fed & Can Intrgv Pol	$4,558.68	$118,932.77
Band 5	ED, International Relations	$4,982.89	$130,000.11
Band 4	Director, Strategic Services	$3,733.70	$97,409.62
Band 3	Manager, Executive Operations	$3,924.69	$102,392.41
Band 3	Mgr,Intergovernmental Relation	$3,611.99	$94,234.29
Band 1	Intergovernmental Advisor	$2,649.36	$69,119.95
Band 3	Protocol Manager	$3,304.59	$86,214.44
Band 3	Protocol Manager	$3,129.90	$81,656.90
Band 3	Protocol Manager	$3,129.90	$81,656.90
Band 3	Protocol Manager	$3,304.59	$86,214.44
Band 3	Band 3	$3,216.50	$83,916.23
Band 3	Mgr. International Relations	$3,423.39	$89,313.85
Band 2	Mgr. Finance & Administration	$2,937.67	$76,641.75
Band 1	Intergov Relations Coordinator	$2,491.66	$65,005.67
Senior Executive Assistant	Senior Executive Assistant	$2,263.03	$59,040.87
Clerk R15	Protocol & Events Assistant	$2,326.91	$60,707.45
Clerk R15	Protocol Assistant	$1,163.45	$30,353.60
Clerk R15	Protocol Assistant	$2,057.30	$53,673.52
Clerk R15	Protocol Assistant	$2,057.30	$53,673.52
Clerk R9	Greetings Clerk	$1,971.22	$51,427.75
Intergovernmental Relations Secretariat - Francophone Affairs Program			
Band 4	Director, Francophone Affairs	$4,437.88	$115,781.18
Band 1	Advisor, Francophone Affairs	$2,678.71	$69,885.67
Band 1	Advisor Francophone Affairs Pr	$2,512.34	$65,545.19

Notes:

1. The amounts presented in the above table are actuals as of March 31, 2023. Any discrepancies between these amounts and the Public Accounts, the Public Accounts will be taken as accurate and final.

Office of the Premier - 2022/23 Contract Expenditures

For the year ending March 31, 2023

VENDOR	CONTRACT	LATEST PO AMOUNT	2022/23 EXPENDITURES	Procurement Type	DESCRIPTION
354948 B.C. LTD.	C23CABOPS1582	$139,323	$97,305	Direct Award - Sole Source	FIN-LCTZSSA0177 - Cabinet Operations Solutions - Asset Number 1580790.
BERLIN, EATON & ASSOCIATES LTD.	C23PREM1581	$9,000	$9,000	Direct Award - Soul Source	360 degree leadership assessment for Strategic Outreach and Stakeholder Relations.
CARR KLINE & ASSOCIATES INC.	C23PREM1584	$26,150	$16,100	Direct Award- Confidentiality	Contractor is a member of a transition team appointed by Premier Horgan to plan and implement and orderly transition.
CONVERGENCE COMMUNICATIONS INC.	C23PREM1586	$20,212	$18,515	Direct Award - Confidentiality	The Contractor is to work as a member of a transition team appointed by the Premier designate David Eby.
CONVERGENCE COMMUNICATIONS INC.	C23PREM1587	$10,670	$10,609	Direct Award - Confidentiality	The contractor is a member of a transition team appointed by Premier Horgan to plan and implement an orderly transition.
ROBERT DEWAR	C23PREM1588	$40,030	$24,906	Direct Award - Confidentiality	Contractor is a member of a transition team appointed by Premier designate David Eby to plan and implement an orderly transition.
HELPS, LISA	C23PREM1589	$20,654	$12,202	Direct Award - Confidentiality	Contractor is a member of a transition team appointed by Premier designate David Eby.
JAMES, CAROLE ALISON	C23PREM1590	$40,030	$18,113	Direct Award - Confidentiality	Contractor is a member of a transition team appointed by Premier Horgan to plan and implement an orderly transition.
MCGOWAN DIGITAL GROUP INC.	C23PREM1591	$19,346	$16,119	Direct Award - Confidentiality	The Contractor is a member of a transition team appointed by Premier designate David Eby to plan and implement an orderly transition.
METRIC STRATEGIES INC.	C23PREM1592	$38,600	$25,900	Direct Award - Confidentiality	The contractor is to work as a member of a transition team appointed by the Premier designate David Eby.
MILNE, GALA SARAH ROSE	C23PREM1593	$300,000	$79,590	Direct Award - Confidentiality	FEES/EXPENSES Douglas S. White has been appointed Special Counsel for Premier Eby on Indigenous reconciliation.
ROMAR COMMUNICATIONS LTD.	C23PREM1594	$45,900	$43,760	Direct Award - Confidentiality	FEES/EXPENSES: The contractor will provide communications Support incl. strategic planning.
SALI, MEGHAN	C23PREM1596	$85,000	$15,914	Direct Award - Confidentiality	ADVISOR TO THE PREMIER, COS AND MINISTERS TO INITIATE BC BUILDS.
SMITH, MATT GRAHAM	C23PREM1597	$170,000	$0	Direct Award - Confidentiality	Dr. Penny Ballem has been appointed as the Premier's Health Systems Specialist to advise the Premier, Min of Health & DM.
WHITE, DOUGLAS S	C23PREM1599	$3,705	$338	Another competitive selection process used	CS-001106 Executive Coaching.
WHITE, DOUGLAS S	C23PREM1601	$43,400	$6,400	Direct Award - Confidentiality	FEES/EXPS: The contractor is engaged to provide strategic advice and facilitation services for the Office of the Premier.
Total*		**1,012,020**	**394,770**		

***Totals as represented by CAS PO Module - Contract fall under STOBs 60, 61, 63, and 65**

ISSUE: PREMIER TRAVEL EXPENDITURES

ADVICE AND RECOMMENDED RESPONSE:

- This reflects the amounts paid for Capital City Allowance and travel for the Premier Horgan and Premier Eby. The information provided includes the amounts up to the end of March 2023.

1. **Capital City Allowance:**

- Premier Horgan's Daily Allowance Capital City Allowance is $426, but this amount does not encompass his Living Allowance as his constituency is Lanford-Juan de Fuca constituency.

Premier Horgan	
2022/23 Actuals (End of March 2023)	2021/22 Actuals (End of March 2022)
$426	$1,102

- The Capital City Allowance for Premier Eby amounts to $2,660, which includes $870 Capital City Allowance incurred under the Office of the Premier vote.

Premier Eby	
2022/23 Actuals (End of March 2023)	2021/22 Actuals (End of March 2022)
$2,660	

- At the end of the fiscal year, the total Capital City Allowance will match the amount that will be published in the Public Accounts.

Contact: Amy McAleese, CFO & Executive Director
Phone: 778-698-3352

2. Travel:

- As of March 31, 2023, Premier Horgan had incurred travel expenses of $27,513 for travel within the province, $11,269 for out-of-province travel, and $1,406 for travel outside the country.

Premier Horgan				
	In Province	**In-Canada**	**Out-Of-Canada**	**Total**
Total Travel FY23	$27,513	$11,269	$1,406	$40,189

- As of March 31, 2023, Premier Eby had incurred $22,109 in travel expenses within the province, $5,478 in out-of-province travel expenses, and $1,154 in out-of-country travel expenses. A breakdown of the travel expenses incurred under the Office of the Premier vote shows in the following table:

Premier Eby				
	In Province	**In-Canada**	**Out-Of-Canada**	**Total**
Total Travel FY23	$22,109	$5,478	$1,154	$28,741
Travel Expenses incurred under the Office of the Premier vote	$5,854	$5,478	$1,154	$12,485

- At the end of the fiscal year, the total amount will match the amount that will be published in the Public Accounts.

Appendix 1 is attached to provide information of the different types of travel and the area of responsibility.

Contact: Amy McAleese, CFO & Executive Director
Phone: 778-698-3352

Appendix 1 – Different Types of Minister's Travel and the Area of Responsibility

Travel Item:	Paid By:	Notes:
Between Capital and Constituency	Ministry of Finance	Official travel between constituency and Victoria is considered government business. Travel at government rates applies and is charged to the central Minister's travel budget in Ministry of Finance.
Travel Within Province, Out of Province or Out of Canada	Ministers' Office Sub-Vote	When travelling on official government business, officials are governed by the Official Duties Expense Regulation and travel guidelines for "officials".
Parliamentary Secretary and MLA Travel on Behalf of Executive Council	Ministers' Office Sub-Vote	When travelling on official government business, Parliamentary Secretaries and MLAs travelling on behalf of Executive Council are governed by the Official Duties Expense Regulation and travel guidelines for "officials".
Accompanying Persons Travel	Vote 1 Legislative Assembly (Financial Services)	MLA's can allocate up to 12 return trips within the province for an accompanying person of the member's choosing, who is typically a family member, constituency assistant, or legislative assistant. All reasonable and justifiable travel expenses will be reimbursed upon presentation of receipts.
Capital City Allowance	Ministry of Finance	When the official is in Victoria, the meal allowance(s) is charged to the Capital City Allowance budget. This budget is a central Minister's travel budget that is held by the Ministry of Finance.

OFFICE OF THE PREMIER
TRAVEL ISSUE NOTE

ISSUE: MINISTER MARK TRAVEL EXPENDITURES

ADVICE AND RECOMMENDED RESPONSE:

- This reflects the amounts paid for Capital City Allowance and travel for Minister Mark. The information provided includes the amounts up to the end of March 2023.

1. **Capital City Allowance:**

- Minister Mark's Capital City Allowance is $1,669, which includes $202 incurred under the Office of the Premier vote.

- At the end of the fiscal year, the total Capital City Allowance will match the amount that will be published in the Public Accounts.

2. **Travel:**

- As of March 31, 2023, Minister Mark had incurred $31,225 in travel expenses within the province, $3,159 in out-of-province travel expenses. A breakdown of the travel expenses incurred under the Office of the Premier vote shows in the following table:

Minister Mark				
	In Province	**In-Canada**	**Out-Of-Canada**	**Total**
Total Travel FY23	$31,225	$3,159	$0	$34,384
Travel Expenses incurred under the Office of the Premier vote	$1,447	$0	$0	$1,447

- At the end of the fiscal year, the total amount will match the amount that will be published in the Public Accounts.

Contact: Amy McAleese, CFO & Executive Director
Phone: 778-698-3352

Office of the Premier
Staff Travel Expense Summary - 2022/23

NAME	JOB TITLE	TOTAL
ASHBOURNE, JADE Perso	Executive Director	1,581
BAIN, DONALD Person	Deputy Chief of Staff	22,463
BERNARD, TABITHA Perso	Exec Coord to Chief of Staff	574
BINDRA, RENA Pe	Director	5,280
BREWER, LIA	Director, Major Projects and Strategic Liaison	8,346
BROWNSEY, SILAS Per	Deputy Minister	24,102
BYERS, LINDSAY	Media Relations Officer	20,863
CABANGON, JAMES Personal	Exec Coord to the Premier	837
CAUL, DOUGLAS Pe	Deputy Minister	4,242
CHAN, CHAK LUNG	Mgr.Comms&Stake Relations	816
CHEEMA, HAIQA Personal	Director of Policy	467
COPAGE, CAITLIN	Director	2,038
CROSBY, GAIL	Protocol Assistant	260
DUBUC, MICHELLE	OIC Coordinator	482
DUNCAN, LAURIE Pe	Executive Coordinator	1,564
EBY, DAVID	Premier of BC	13,356
ECKARDT, DANA	Manager, Cabinet Operations	3,073
ELLIOTT, GENEVIEVE	Manager, Finance and Administer	518
ETHIER, TOM	Deputy Minister	440
FELKER, KAREN Pe	Manager, Ceremonial and Honour	697
FINKEL, PAUL	Executive Director	469
FOUGERE, BRIANNA Personal	Director	1,526
GIRN, NAVEENDAR Person	Dir. StratOutreach&StakehldrRel	3,652
GORMAN, FRANCES Person	Protocol Projects Coordinator	815
HAGGLUND, JARRETT Personal	Manager, Event Services	42,619
HAMMAN, LAUREN Personal	Intergovernmental Relations Ad	3,614
HENRY, DAVID A	Service Manager	641
HIGGINBOTHAM, AMY	Director	2,440
HILLABY, JOSHUA	Protocol Assistant	627
HOCKIN, AMBER Personal	Deputy Chief of Staff	10,527
HORGAN, JOHN	Premier of BC	40,616
JORDAN, ANNETTE	Protocol Manager	11,385
JOSHI, SHRUTI PRAKASH	Director, Media Relations and	4,044
KER, VICTORIA	Intergovernmental Relations Ad	815
KHAIRA, MANJIT	Protocol Officer	1,152
KOURI, ROSA	Executive Director	2,060
KRISTIANSON, ERIC Per	Assistant Deputy Minister Stra	6,738
LOBMEIER, LUCY P	Chief of Protocol and Executive	4,356
LONGPRE, NICOLE	A/Manager, U.S. Relations	6,338
LOUBERT, DANNY Per	Program Assistant	4,998
MACARTNEY, KENNETH Perso	Executive Director	14,230
MACHELL, AILEEN	Deputy Chief of Staff	7,985
MARANDA, PIERRETTE	Associate Deputy Minister	1,063
MARK, MELANIE	Minister	1,649
MARSHALL, MEGAN ELIZABETH	Dir. StratOutreach&StakehldrRel	10,962

MASSY, MICHELLE	Manager	1,375
MCCARTNEY,P ANGELA P	Records Management Officer	1,330
MCCOLL, JOHN MICHAELPer	Director Planning & Priorities	1,838
MCCONNELL, SHEENA HLYNN	Sr Advisor, Intergov Relations	2,579
MCKINNON, MICHAEL	Communication Manager	988
MCNISH, JAMES Persona	Dir,Plng&Prior Secretariat	752
MEGGS, GEOFFREY	Chief of Staff	13,555
MENDES MIRANDA, HERNANI Personal	Protocol Assistant	3,022
MERCER, ANDREA	Executive Director, Planning a	1,799
MILLER, AMY Person	Deputy Cabinet Secretary	3,568
NASH, AMBER Person	Director, ExecOps&Scheduling	9,659
PORTAL, VINCENT	Director	3,916
PORTER, JORGE Perso	Executive Assistant	295
PRINCE, JESSICA	Assistant Deputy Minister	1,063
REIMER, NEILP	Assistant Deputy Minister and	2,735
ROBILLARD, SUZANNE	A/Advisor, Francophone Affairs	773
SALI, MEGHAN	Director of Special Projects	7,951
SALI, MEGHAN Personal	Director of Special Projects	1,654
SALTER, SHANNON	Deputy Minister to the Premier	15,297
SAM, ANN MARIE	Director - PPS	837
SANFORD, DONNA	Associate Deputy Minister, Off	2,057
SATHER, KELLY Perso	Director, ExecOps&Scheduling	1,370
SHAW, RACHELPersonal	Executive Director	1,840
SIEBEN, MARK Per	Deputy Minister	3,983
SIGURDSON, JUDI Pe	MANAGER INTERGOVERNMENTAL RELA	2,829
SMITH, GEORGE Personal	Director of Communications	485
SMITH, GRANT H	A/ Executive Director	7,224
SMITH, JAMES	Deputy Communications Director	9,573
SMITH, JESSICA Persona	Sr Advisor, Intergov Relations	8,771
SMITH, MATTHEW Personal	Chief of Staff	13,436
SNIDER, TAYLOR	Branch Administrator	14
SPILKER, ROBYN	Director,Plan&Priorities Sec	792
SUNDHU, SACHIN Personal	Executive Coordinator	9,769
TERAMOTO, LESLIE Pe	Assistant Deputy Minister, Int	7,620
TREMBLAY, MARC Pe	Advisor Francophone Affairs Pr	752
TRUONG, LELE	Media Relations Officer	1,697
VAN MEER-MASS, KATE Personal	Executive Director	233
VAVRIK, ANNE Personal	Mgr,StratOutreach&StaekhldrRel	1,205
WANAMAKER, LORI Per	Deputy Minister ML12	4,415
SHRUTI, JOSHI	ExecAdvisor, Comm&SkherRelation	657
Non-staff expenditures[3]		12,646
TOTAL STOB 57		**463,675**

NOTE 1: *The amounts presented in the above table are actuals as of March 31, 2023. Employee-specific amounts in the above table include only items paid directly by the Office of the Premier and therefore may not match Public Accounts or proactive travel releases. Any discrepancies between these amounts and the Public Accounts, the Public Accounts will be taken as accurate and final.*

NOTE 2: *Travel amounts include only travel expenses incurred under the Office of the Premier vote. Any travel paid by other ministries is not included.*

NOTE 3: *Non-staff expenditures includes expenses not directly attributable to individual staff within the Office of the Premier. These are costs not made through the CFS travel module, and can include travel paid for staff from other ministries, or amounts journal vouchered to from the Office and Premier.*

IGRS SUMMARY BY PROJECT

PROJECT	PROJECT NAME	22/23 Actuals as of March 31, 2023[1]	% of total Actuals	Description
3600000	General	3,521,896	88.415%	Salaries, benefits, Legal, Data, Cell, Postal, Vehicle, Building, $500k PNWER Grant
3601115	Books of Condolence and Related	0	0.000%	Book binding for condolence books at Parliament Buildings
3601124	CICS annual contribution	0	0.000%	Canadian Intergovernmental Conference Secretariat - Recovered from ministries
3601130	LG Installation/Farewell	0	0.000%	LG Installation/Farewell
3601143	Death of The Queen & State Commemorative Service	65,989	1.657%	State Commemorative Service for The Queen
3601201	Remembrance Day	265	0.007%	Wreath for Premier presentation
3601202	Order of BC	54,725	1.374%	Writers, Medals, AC Meeting & Investiture travel, reception & dinner
3601203	Long Service Awards	(198,631)	-4.987%	IGRS service Fee & business expenses recovered from BCPSA
3601204	Official Visits	11,757	0.295%	Hospitality, IGRS travel
3601208	Opening of the Legislature	618	0.016%	Refreshments for LG & ceremonial attendees
3601210	Consular Corps Relations	6,680	0.168%	IGRS travel for meetings & Consular Corps Briefing with Govt Officials
3601212	Swearing in Ceremonies	39,694	0.996%	Government Swearing-in Ceremony, Reception & local transporation
3601219	Official Greetings/Congratulatory Messages	0	0.000%	Supplies for the Congratulatory Messages Program
3601237	Council of the Federation	151,933	3.814%	COF dues, Host COF summer meeting
3601260	Medal of Good Citizenship	0	0.000%	TACS covers the cost of the Medal of Good Citizenship (because their Minister is the Chair of the Advisory Committee)
360X001	COVID-19 Corporate Tracking	216	0.005%	COVID-19 pandemic supplies/signage
3698738	Official Visits Gift Purchases	3,084	0.077%	Replenish gift inventory for visiting dignitaries
3698741	Protocol Ceremonies	0	0.000%	Venue, Reception, Flowers, etc for State funerals/memorials
3698749	Missions Abroad	4,646	0.117%	Travel to meetings overseas
3698788	US Engagement	16,789	0.421%	USA engagement meetings
3698789	Fed-Prov Engagement	57,420	1.441%	Fed/Prov Meetings & Ministers' Council on the Canadian Francophonie
3601101	*Francophone Affairs Program	246,294	6.183%	FAP recovered from FEDs
TOTALS		3,983,374		

Notes:

1. The amounts presented in the above table are actuals as of March 31, 2023. Any discrepancies between these amounts and the Public Accounts, the Public Accounts will be taken as accurate and final.

IGRS Government Transfers 2022/2023

STOB	Actual Amount	Supplier Name	Description/Reason
7703	500,000	Pacific Northwest Economic Region	FY23 Accrue IGRS Grant to PNWER
7703	25,000	Ministry of Attorney General - Prosection Services	Francophone Affairs pymt to AG-BC Prosecution Services
7703	81,000	Ministry of Attorney General - Prosection Services	Francophone Affairs pymt to AG-BC Prosecution Services
7703	12,022	BC LIBRARIES COOPERATIVE 2009	FRANCOPHONE EBOOK - FRANCOPHONE EBOOK LIBRARY COLLECTION PYMT 4
7703	9,008	BC LIBRARIES COOPERATIVE 2009	FRANCOPHONE EBOOK LIBRARY COLLECTION PYMT 3
7703	5,000	CITY OF VICTORIA	CANADA DAY CELEBRATION
7703	7,000	CONSEIL JEUNESSE FRANCOPHONE DE LA COLOMBIE-BRITANNIQUE	PARLEMENT JEUNESSE FRANCOPHONE DE LA COLOMBIEBRITANNIQUE
7703	6,000	CONSEIL JEUNESSE FRANCOPHONE DE LA COLOMBIE-BRITANNIQUE	JEUX FRANCOPHONES DE LA COLOMBIE-BRITANNIQUE
7703	37,600	DREAMRIDER PRODUCTIONS SOCIETY	PLANET PROTECTOR ACADEMY: KEEP COOL!
7703	9,400	DREAMRIDER PRODUCTIONS SOCIETY	PYMT 2: PLANET PROTECTOR ACADEMY - DRPS PF 6 PYMT #2
7703	62,880	FEDERATION DES PARENTS FRANCOPHONES DE COLOMBIE-BRITANNIQUE	SAISON DE THÉÂTRE POUR LA PETITE ENFANCE
7703	15,000	FEDERATION DES PARENTS FRANCOPHONES DE COLOMBIE-BRITANNIQUE	FPFCB HSS 3 FRENCH DROP IN
7703	15,720	FEDERATION DES PARENTS FRANCOPHONES DE COLOMBIE-BRITANNIQUE	PYMT 2: SAISON DE THEATRE POUR LA FPFCB PF2A PYMT #2
7703	20,000	INNOVATE BC	FRANCOPHONE INNOVATOR SKILLS INITIATIVE
7703	10,000	JEUXFC VICTORIA 2020	CANADIAN FRANCOPHONE DAYS
7703	3,000	L'ASSOCIATION DES FRANCOPHONES DE NANAIMO	MAPLE SUGAR FESTIVAL 2023
7703	80,000	LA BOUSSOLE, CENTRE COMMUNAUTAIRE SOCIETE	FAP: BILINGUAL SOCIAL AND OUTREACH WORKERS SUPPORT
7703	43,680	LA SOCIETE DE DEVELOPPEMENT ECONOMIQUE DE LA C.-B. (SDECB)	PROVINCIAL FUNDING FOR FRENCH LANGUAGE SERVICES
7703	10,920	LA SOCIETE DE DEVELOPPEMENT ECONOMIQUE DE LA C.-B. (SDECB)	FAP: SDECB PF4 PYMT 2
7703	10,000	LEGISLATIVE ASSEMBLY OF BRITISH COLUMBIA	FRENCH TRANSLATION & PRINTING OF EDUCATIONAL MATERIALS
7703	28,480	RESEAU-FEMMES COLOMBIE-BRITANNIQUE	FAP: RFCB PF 1
7703	7,120	RESEAU-FEMMES COLOMBIE-BRITANNIQUE	FAP: RFCB PF 1 PYMT 2
7703	4,500	RICHMOND CITY CENTRE COMMUNITY ASSOCIATION	FAP: FOR EARLY CHILDHOOD PROGRAMS FRENCH FUN
7703	7,000	SIMON FRASER UNIVERSITY	SFU: FRANCOPHONIE CELEBRATIONS 2023
7703	600	THE PROVINCIAL LANGUAGE SERVICE	FRENCH TRANSLATION OF VRI EVALUATION SURVEY
7703	82,250	THE PROVINCIAL LANGUAGE SERVICE	FRANCOPHONE HEALTH SERVICES PROGRAM
7703	2,800	THE PROVINCIAL LANGUAGE SERVICE	TRANSLATION AND PROMOTION OF CHAP MATERIALS
7703	19,680	THEATRE LA SEIZIEME	SAISON DE THÉÂTRE POUR LA PETITE ENFANCE
7703	4,920	THEATRE LA SEIZIEME	PYMT 2: SAISON DE THEATRE
7703	7,200	VICTORIA INDEPENDENT FILM & VIDEO FESTIVAL	2023 VICTORIA FILM FESTIVAL – FRENCH CONTENT
7703	2,400	VICTORIA INDEPENDENT FILM & VIDEO FESTIVAL	FAP: 2023 VICTORIA FILM FESTIVAL
7703	7,500	WEST SHORE PARKS AND RECREATION SOCIETY	FAP: FOR FRENCH EARLY CHILDHOOD PROGRAMS
	1,137,680	TOTAL STOB 77	
8001	185,922	COUNCIL OF THE FEDERATION SECRETARIAT	B.C. ANNUAL DUES FOR APRIL 1, 2022 TO MARCH 31, 2023
8001	17,112	CORPORATION DU CONSEIL DES MINISTRES SUR LA FRANCOPHONIE CANADIENNE	BC GOVT ANNUAL DUES FOR MCCF 22/23 ATTN: SYLVIE PAINCHAUD
8097	95,000	CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT	B.C.'S CONTRIBUTION FOR 2022-23
	298,034	Total STOB 80	

1. For STOB 77, $637,680 is recovered from the Federal Government under a federal/provincial agreement
2. Amounts presented in the above table are actuals as of March 31, 2023. Any discrepancies between these amounts and the Public Accounts, the Public Accounts will be taken as accurate and final.

OFFICE OF THE PREMIER
ESTIMATES BRIEFING NOTE

ISSUE: Recoveries as at March 2023

KEY FACTS:

- The Office of the Premier 2022/23 budget for recoveries is ($1.308 M), with ($0.601 M) in internal recoveries, and ($0.707 M) in external recoveries.
- As at March 31, 2023 the Office of the Premier had recovered ($2.235 M), with ($1.216 M) in internal recoveries, and ($1.019 M) in external recoveries.
- Internal recoveries are costs recovered from entities within the Consolidated Revenue Fund (CRF). Office of the Premier internal recoveries include:
    - ($0.470 M) in wage cost increases recovered through *Financial Administration Act* due to newly ratified collective agreements under the Shared Recovery Mandate;
    - ($0.731M) in operating costs recovered from the Public Service Agency for costs incurred in supporting the Long Services Awards. In FY 2023, 19 ceremonies was delivered for 2020, 2021 and 2022 recipients;
    - ($0.015 M) in other minor recoveries.
- External recoveries are costs recovered from entities outside the CRF, both internal and external to the Government Reporting Entity (GRE). Office of the Premier external recoveries include:
    - ($0.700 M) in recoveries from the Federal Government's Ministry of Canadian Heritage to establish, through an agreement, a general framework for the planning and implementation of various measures to support the development and vitality of the Francophone community of British Columbia through the delivery of French-language services. The Francophone Affairs Program provided grants and contributions in the amount of $0.659 M. An additional $0.041 M was used for translations and other administrative support costs.
    - ($0.319 M) in recoveries from the Council of the Federation Secretariat for the expenses related to host Canada's Premiers and their delegations for the 2022 Summer Meeting of Canada's Premiers.

OFFICE OF THE PREMIER
ESTIMATES BRIEFING NOTE

2022/23 Recoveries as at March 31, 2023

$ millions	IGRS	Cab Ops	PPS	PO	DMO	Total
Internal Recoveries						
Budget	(0.598)	(0.001)	(0.001)	0.000	(0.001)	**(0.601)**
Actuals	(0.871)	(0.060)	(0.060)	(0.149)	(0.076)	**(1.216)**
Variance	0.273	0.059	0.059	0.149	0.075	**0.615**
External Recoveries						
Budget	(0.701)	(0.002)	(0.002)	0.000	(0.002)	**(0.707)**
Actuals	(1.019)	0.000	0.000	0.000	0.000	**(1.019)**
Variance	0.318	(0.002)	(0.002)	0.000	(0.002)	**0.312**
Total Recoveries						
Budget	**(1.299)**	**(0.003)**	**(0.003)**	**0.000**	**(0.003)**	(1.308)
Actuals	**(1.891)**	**(0.060)**	**(0.060)**	**(0.149)**	**(0.076)**	(2.235)
Variance	**0.592**	**0.057**	**0.057**	**0.149**	**0.073**	**0.927**

Contact: Amy McAleese **Phone:** Government
Branch: Corporate Financial & Facilities Services

INTERGOVERNMENTAL RELATIONS SECRETARIAT
PREMIER'S ESTIMATES NOTES
MAY 2023

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2023/24 Estimates Note - Advice to the Premier

Title: B.C. – Federal Relations

Issue: B.C.'s engagement with the federal government

Response:

- The B.C. and federal governments are in frequent, close contact at all levels – from the Premier and the Prime Minister onto the departments – to discuss opportunities to work together for the benefit of all British Columbians, as well as on common challenges.
- The federal government and B.C. share many common priorities that provide opportunities for partnership: improving health care, addressing housing availability and affordability, growing a clean and inclusive economy, improving public safety in communities, and advancing Indigenous reconciliation.
- We will continue to focus on working with the federal government to get results for British Columbians.

Background/Status:

Areas where B.C. has successfully made our voice heard and/or coordinated our actions with the federal government:

- The COVID-19 pandemic response and recovery, including vaccine and test procurement; commercial rent assistance; Canada-U.S. border restrictions; and pan-Canadian sick leave.
- Climate action, where B.C. is recognized as Canada's closest provincial ally in the fight against climate change. Both governments are aligned on emissions reductions and pollution pricing targets, and united in their commitments to investing in the clean energy transition and advancing the market for clean technology.
- Substance use including decriminalization: Health Canada granted a three-year exemption within B.C. to remove criminal penalties for people who possess a small amount of certain illicit substances for personal use, as part of both governments' aligned responses to the opioid epidemic and to building a continuum of care for mental health and substance use for people throughout the province and Canada.
- Emergency management: Following the devastating year of severe weather events in 2021, B.C. and Canada continued to coordinate their response and recovery efforts resulting in $5 billion in federal funding for flooding, wildfire recovery, and drought.
- Public safety, including by securing a commitment from the federal government to make legislative changes to reform the bail system, and to support provincial innovations to address repeat, violent offenders.
- Health funding, including reaching an agreement in principle to improve health-care services across B.C. through $3.3 billion over 10 years of new bilateral federal funding focusing on shared health-care priorities, and $273 million through the immediate, one-time Canada Health Transfer top-up to address urgent needs.

- Reconciliation: B.C. and the federal government are closely aligned in our commitments to Indigenous reconciliation. Both governments are committed to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Calls to Action of the Truth and Reconciliation Commission.
- Indigenous child welfare, including through the historic March 24, 2023 coordination agreement between Splatsin, Canada and B.C. to support the ongoing exercise of Splatsin's jurisdiction of their Child, Family and Community Services.

Other areas where B.C. continues to make our voice heard include:

- Infrastructure (e.g. George Massey Crossing, Belleville Terminal Redevelopment);
- Economic development and major projects in the clean economy space.
- The acute need for Indigenous housing, both on and off reserve, in rural and urban centres.
- The need for a coordinated, all of government approach to improving access to housing and supports in the Downtown Eastside and other urban centres.
- Coastal issues (e.g. Pacific salmon restoration, Indigenous commercial fisheries, the Oceans Protection Plan, marine conservation areas); and
- Cross-border issues with the United States (see separate notes).

Many aspects of the recent federal budget align well with B.C.'s priorities, for example:

- Clean economy and industrial transformation (e.g. a hydrogen investment tax credit, $3 billion over 13 years for clean electricity, and $500 million over 10 years in new money plus $1.5 billion reallocated from other priorities to support clean technology projects through the Strategic Investment Fund);
- Housing ($4 billion over seven years to co-develop and implement the Urban, Rural and Northern Indigenous Housing Strategy);
- Opioids ($359 million over five years to combat the opioid epidemic through federal substance use and addictions programs and $158 million over 3 years for mental health supports).

Contact: Grant Smith – 250 387-1042
Executive Director, Federalism and Canadian Intergovernmental Policy

2023/24 Estimates Note - Advice to the Premier

Title: Health Care Funding

Issue: Negotiations for improved federal health care funding

Response:

- Increased, sustained federal funding for health care has been a top priority for all Premiers over the past few years. Pressure from Premiers, supported by their Finance and Health Ministers, led to a First Ministers' Meeting and funding offer in February.
- The offer presented by the Prime Minister in February falls short of Premiers' request, but will help. Premiers accepted the offer but expressed disappointment given the strong case for more funding than was offered.
- Given the importance of health care, B.C. had already committed to substantial investments and improvements to health services before the federal government made its funding offer to Premiers.
- B.C.'s Budget 2023 will increase provincial spending on health care to almost $31 billion in 2023/24, representing an increase of 10.6% or about $3 billion.

Background/Status:

- Health care is already the largest single expenditure for B.C., and all provinces and territories, and the challenges ahead are significant.
- Provinces and territories are already making substantial investments and improvments to health services. However, these improvements could be accelerated and expanded through a significant, long-term increase in recurrent funding via the Canada Health Transfer (CHT).

Premiers' Request, the Federal Offer and the Premiers' Response

- Premiers had asked for a strengthened long-term federal funding partnership, including increased, recurrent funding throught the CHT base accompanied by an appropriate escalator, which would have addressed immediate challenges and allowed for longer-term improvements. They agreed that short-term funding was not the answer.
- The Premiers' request through the Council of the Federation (COF) was for the federal government to increase its share of health care funding through the CHT to 35%, which would have amounted to an immediate injection starting at $28 billion per year and increasing thereafter.
- On February 7, 2023, Prime Minister Trudeau presented Premiers with a federal funding plan. It included new funding of $49 billion over 10 years, $46 billion of which would go to provinces and territories:
    - a one time $2 billion CHT top up [B.C.: $272 million];
    - an estimated $17.3 billion over ten years through a temporary increase in the minimum annual growth rate of the CHT [B.C.: $2.4 billion];
    - $25 billion in tailored bilateral agreements over ten years [B.C.: $3.3 billion];

  - $1.7 billion over five years to support wage increases for personal support workers and related professions [B.C. share to be determined]; and
  - an increase to the Territorial Investment Fund.
- In addition to the amounts for provinces and territories, the federal plan includes an Indigenous Health Equity Fund and investments in health data.
- On February 16, 2023, Premiers wrote to the Prime Minister to accept the federal funding, while noting their disappointment and proposing next steps.

B.C. Agreement in Principle and Current Status

- Ministers Adrian Dix and Jennifer Whiteside wrote federal Ministers Jean-Yves Duclos (Health) and Carolyn Bennett (Mental Health and Addictions) on February 24, 2023, agreeing in principle to the new funding.
- The agreement in principle was announced on March 1, 2023.
- B.C. continues to recognize the importance of increased health funding as reflected in B.C.'s Budget 2023.
- The announced federal health funding is still subject to completing agreements with provinces and territories, federal government approvals and authorities through their budget process.
- Recent announcements about increased federal government transfers to support health care services are not included in the revenue assumptions for Budget 2023 due to timing.
- Further details regarding federal plans for both Personal Support Workers Wage Support and the Indigenous Health Equity Fund are still being communicated to Provinces and Territories.

Contact: Grant Smith

2023/24 Estimates Note - Advice to the Premier

Title: Interprovincial Relations

Issue: B.C.'s participation in the Council of the Federation, Western Premiers' Conference and other interprovincial relations

Response:

- B.C. pursues constructive working relationships with all other provinces and territories, both bilaterally and through multilateral tables like the Council of the Federation and the Western Premiers' Conference.
- These relationships allow us to project our influence on the national stage by joining forces with others and by speaking up to ensure that the national consensus reflects B.C.'s interests.

Background/Status:

Council of the Federation (COF)

- The Council of the Federation (COF) is composed of the thirteen Premiers of Canada's provinces and territories. It was established in 2003, building on the earlier practice of Annual Premiers' Conferences.
- The Chair of COF is assumed by a Premier on a rotational basis, typically for a one-year term.
    - B.C. was Chair of COF in 2021/22. The current Chair is Premier Heather Stefanson of Manitoba.
    - The Chair for 2023/24 will be Premier Tim Houston of Nova Scotia. The exact date of the transition is yet to be determined but will be at or after the 2023 summer meeting.
- COF ordinarily meets at least once each year, with the main summer meeting being supplemented as necessary by a shorter winter meeting. B.C. hosted the last in-person summer meeting in Victoria on July 11-12, 2022. Premiers have met virtually several times since then, and they met in person on February 6-7, 2023 in Ottawa on the margins of the First Ministers' Meeting on health funding.
- The 2023 COF summer meeting will take place in Winnipeg on July 11-12, 2022.
- During the COVID-19 pandemic, Premiers used their meetings and calls to exchange views and information on important aspects of the provincial and territorial response to the pandemic and to discuss shared approaches to related First Ministers' calls.
- The Premiers' top priority – a First Ministers' Meeting on health care funding – was fulfilled on February 7, 2023. Going forward, COF meetings may focus on additional collective priorities of Premiers such as affordability, housing, federal infrastructure funding, labour markets, immigration, and Canada-U.S. relations, including trade.

- COF is supported by a Secretariat funded by all provinces and territories.

Western Premiers' Conference

- The Western Premiers' Conference (WPC) is a forum to advance shared interests of Western Canada through enhanced cooperation and constructive dialogue.
- The WPC is comprised of seven Premiers: B.C., Alberta, Saskatchewan, Manitoba, Yukon, Northwest Territories, and Nunavut.
- The WPC normally meets once each year. Saskatchewan Premier Scott Moe chaired the 2022 WPC in Regina from May 26-27, 2022.
- B.C. will be chairing the 2023 WPC in Whistler on June 26-27, 2023.
- WPC members do not make financial contributions for the WPC; however, members incur expenses for travel costs to annual meetings and hosting the annual meeting while they are Chair.

Contact: Grant Smith – 250 387-1042
Executive Director, Federalism and Canadian Intergovernmental Policy

2023/24 Estimates Note - Advice to the Premier

Title: Nooksack River Flooding

Issue: Catastrophic flooding caused by the overflow of the Nooksack River in Washington State in November 2021

Response:

- B.C. has a strong partnership with our neighbours in Washington State, and I am pleased that both governments are working closely to come up with long-term solutions to address flooding challenges that have been present for decades. This is a neighbour-to-neighbour exercise that will draw upon the many successful collaborations we have undertaken with our friends across the border.

- On March 15, 2022 Governor Inslee and Premier Horgan announced further bilateral cooperation to address flooding issues.

- Since then, representatives of provincial, state and both federal governmments as well as local and Indigenous governments on both sides of the border have met twice for site visits – one to Everson, WA in July 2022 and one to Abbotsford in September 2022.

- The Nooksack Transboundary Flood Initiative has been created with a three-tiered governance model – leadership, policy and technical – of which the policy and technical tables have been meeting since September 2022. A leadership meeting is being planned for later this Spring.

- In parallel, the Province is supporting First Nations and the Cities of Abbotsford and Chilliwack to enhance collaboration on flood risk mitigation planning in the Sumas Prairie.

- The Province has increased resources for the River Forecast Center and strengthened monitoring and communication about Nooksack River conditions with counterparts in Washington State.

- Abbotsford has completed dike repairs, temporary works, and more permanent repairs, where appropriate, to structures that were damaged by the atmospheric river events.

- B.C. and Washington are close partners, whose dedication to working collaboratively on shared interests such as the Nooksack was reinforced during the trip MLA Glumac and I undertook to Washington State on March 13. During our conversation Governor Inslee restated his commitment to our partnership on this issue.

- The Nooksack River issue is decades old, and the last significant change made with respect to dikes was in 2003 when the *Flood Hazard Statues Amendment Act* was revised to transfer many provincial flood management responsibilities to local government to manage.

- We are taking a thoughtful and inclusive approach to designing a solution that works better for all levels of government, as well as reflecting the Province's obligations under the *Declaration Act*, and I am confident that the partnership with the Governor of Washington State will yield good results for the people of B.C.

Background/Status:

- The Nooksack River runs through Whatcom County in Washington, and when it overflows after heavy rains, it spills into the Sumas Prairie in the Fraser Valley.

- Parties participating in the Nooksack Transboundary Flood Intiative include the Province of B.C. (IGRS, FOR, EMCR, MOTI, and AGRI); Sumas, Leq'a:mel and Matsqui First Nations; City of Abbotsford; Washington State (WA) Governor's Office and Department of Ecology; Whatcom County; Nooksack Indian Tribe and Lummi Nation. The technical table also includes the City of Chilliwack, U.S. Geological Survey, U.S. National Weather Service, and U.S. Army Corps of Engineers.

- Minister Ma will represent B.C. at the leadership table, with MLA Glumac's support as Premier's liaison for the Pacific Northwest.

- Intergovernmental Communications

- Together, the Nooksack Transboundary parties are working to:
    - Respond to more frequent and severe flooding of the Nooksack River caused by climate change;
    - Bring together the necessary resources and relevant experts to help identify, evaluate and advance solutions; and,
    - Drive the design of projects and programs and identify sources of funding.

- A third-party facilitator, Kearns and West (WA-funded but jointly directed), will support the parties in finalizing the framework agreement, coordinating a leadership meeting in May or June (date to be finalized), and work planning among the tables up to June 30, 2023, with an option to extend.

- Provincial staff have communicated to WA a sense of urgency in reaching a signed agreement and making progress toward shared outcomes.

- Intergovernmental Communications

- Staff at the Ministry of Forests are also leading discussions for long-term flood planning in the Sumas Prairie, and the approach for these two initiatives has been integrated so that any projects that result from the Nooksack River partnership is complementary to planning efforts that are being lead by the City of Abbotsford for floodplain management.

- The Ministry of Forests is also working on a provincial flood strategy, and it is anticipated that the Nooksack River flooding prevention work will be incorporated into these broader efforts.

- This is not the first time that B.C. has partnered with Washington State to address flooding concerns related to the Nooksack River. In 1990, an International Task Force was formed to create technical and policy recommendations, and that work will be utilized in the engagement process going forward.

- Jurisdiction over water management issues in the United States presents a significant logistical challenge. Regulatory and response functions are distributed across multiple agencies. The appropriation process to secure funding for recovery and infrastructure projects often takes place at the federal level, but funding is disbursed by state and county governments.

Contact: Ken Macartney 250-952-1465
Executive Director, International Relations

Withheld pursuant to/removed as

Advice/Recommentations ; Intergovernmental Communications

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Ministry of Transportation and Infrastructure

Estimates Note

NOTE: THIS IS SUPPLEMENTAL, MOTI NOT ASKED FOR NOTE

Final Date: March 29, 2023

TOPIC: Ultra High-Speed Ground Transportation Corridor Project (UHSGT)

ISSUE: UHSGT Project Update.

KEY MESSAGES:

- Washington State Department of Transportation (Washington) has been leading work with B.C. Ministry of Transportation and Infrastructure, and the State of Oregon on the concept of an Ultra High-Speed Ground Transportation corridor (UHSGT) to connect Vancouver, Seattle, and Portland.
- The proposed project will assess various transportation options to reduce travel times between Vancouver, Seattle, and Portland, including high-speed rail capable of achieving travel speeds of up to 400 km/h.
- UHSGT is currently in the early planning phases. Washington has submitted an application to the US Department of Transportation for $197M (USD) in funding. B.C. has contributed $900,000 to support initial planning.
- Given the scope, complexity, and international nature of this project, significant additional planning work is required before a viable, shovel-ready project business case is available for investment decision.
- Next steps for the project led by Washington include establishing a governance framework, developing a stakeholder engagement plan, and creating a funding strategy.
- B.C. is working closely with Washington and Oregon to advance project planning through regular executive-level policy committee and staff-level technical committee meetings.
- The Ministry of Transportation and Infrastructure is leading provincial involvement in the project, including supporting Washington-led work, coordinating engagement with provincial stakeholders, and identifying benefits and issues of interest to B.C.

KEY FACTS:

- In 2021, Premier Horgan and Governors Inslee (Washington) and Brown (Oregon) signed an MOU committing to advancing UHSGT, including establishing a Policy Committee with representation from B.C., Washington, Oregon, and regional planning entities.
- The project could benefit the province by shortening travel times, lowering carbon emissions, increasing connectivity, strengthening economic relations, fostering equitable growth and job creation, promoting labour mobility, and supporting indigenous reconciliation.
- In 2022, the Washington Legislature provided $4 million in funding to commence the UHSGT work envisaged by the MOU. Direction for this funding includes development of a decision and governance framework for all parties, engagement strategy, funding strategy, Corridor ID program, scenario analysis, and development of a coordinating entity responsible for advancing the project.

- Washington is applying for funding for $197M through US Federal Railroad Administration funding programs to carry out planning phase activities. B.C. provided a Letter of Support for the project application to the US federal programs to US Department of Transportation Secretary, Pete Buttigieg.
- Washington will be notified in late 2023 if they have been awarded funding. The funding will support required technical and advisory planning requirements to advance the project.
- The Ministry of Transportation and Infrastructure is currently working to define the Province's interests relative to this project, long-term commitments, and potential scope of funding or further support, including stakeholder and Indigenous engagement with an intent to confirm the approach with Cabinet.

FINANCIAL SUMMARY:

- To date, B.C. has provided funding three times to support UHSGT work: $300,000 (CND) in 2019 and $300,000 (CND) in 2020 through the Ministry of Jobs, Economic Recovery and Innovation (JERI); and more recently $300,000 (CND) in 2022 to support the current scope of work and planning activities being led by Washington.

2023/24 Estimates Note - Advice to the Premier

Title: Transboundary Mining

Issue: Mining activities and transboundary waterways

Response:

- B.C. maintains regular contact with U.S. partners on a range of cross-border environmental files.
- B.C. continues to work with counterparts in Alaska and Montana to implement the Memoranda of Understanding and Statement of Cooperation.
- B.C. also continues to work closely with Indigenous peoples to uphold the Province's commitments under the *Declaration Act*.
- The 2018 Environmental Assessment Act was introduced in order to modernize the Environmental Assessment process, and to better allow the Province to manage emerging concerns.
- B.C. aims to reflect the best available science in its environmental management processes.

Background/Status:

Alaska

- The tailings storage facility failure at the Mount Polley Mine in August 2014 heightened long-standing concerns in Alaska about B.C. mine development along the border, and threatened to impact mining development in northwestern B.C.
- On November 25, 2015, the former Premier of B.C. and Alaska Governor Bill Walker signed a Memorandum of Understanding. The MOU is being implemented through a Statement of Cooperation on the Protection of Transboundary Waters, which was signed October 6, 2016.
- The Statement of Cooperation is overseen by senior government officials from the B.C. government and the government of Alaska. Per the Statement of Cooperation, B.C. and Alaska have also established a joint water quality monitoring program.
- In February 2019, the Province and Taku River Tlingit First Nation (TRTFN) collaboratively selected a proponent to develop a Remediation Plan for Tulsequah Chief Mine. A final Remediation Plan was submitted to the Province in April 2020.
- The Province, in collaboration with TRTFN, continued with interim reclamation actions at the former mine site for the third consecutive year over the 2022 summer field season. Teck Resources Limited voluntarily provided funding to support this work, totaling over $3 million to date. Discussions are ongoing with Teck Resources to implement final reclamation for the site.

- The mine is currently owned by Chieftain Metals Inc. (Chieftain), which acquired the property in 2010. Chieftain had agreed to address the historical contamination issues as part of re-development of the mine.
- The Province continues to pursue available options in the intervening period for holding all past and present owners of the Tulsequah Chief Mine accountable.
- In January 2023, the Chief Inspector of Mines ordered Chieftain to address outstanding compliance issues at the former mine site and set out the enforcement consequences of failure to take action, which may include cancellation of the permit.

Montana

- As provided for in a 2003 Environmental Cooperation Arrangement and 2010 Memorandum of Understanding, B.C. and Montana have made commitments to protect and enhance the transboundary environment. The implementation of the agreements is being overseen by officials from the Ministry of Environment & Climate Change Strategy and Montana's Department of Environmental Quality.
- B.C. ministries have received a number of letters on selenium in transboundary waters from U.S. agencies at both the state and federal level over the past several years. Many of these letters have made reference to B.C.'s obligations under the terms of the Boundary Waters Treaty of 1909 and have suggested that the International Joint Commission should intervene on the issue. Both the Ministries of Environment & Climate Change Strategy and Energy, Mines and Low Carbon Innovation continue to engage with stakeholders on both sides of the border.
- On March 24, 2023, Prime Minister Trudeau and President Biden issued a joint statement that "Canada and the United States also intend to reach an agreement in principle by this summer to reduce and mitigate the impacts of water pollution in the Elk-Kootenay watershed, in partnership with Tribal Nations and Indigenous Peoples, and in order to protect the people and species that depend on this vital river system."
- B.C. has requested collaboration and coordination between B.C. and Canada, and with Ktunaxa, to ensure approaches are aligned to provide comprehensive environmental protection that addresses Ktunaxa's concerns.
- In February 2023 the Province launched the "Elk Valley Water Quality Hub," a website that provides data and information on water quality and regulatory activities in the Elk Valley including:
    - Current water quality conditions and treatment progress information that previously was not easily accessible to the public.
    - Context on the history and impacts of mining in the Elk Valley, and regulatory steps the Province has taken to increase Teck's investments in water treatment initiatives.
    - Details regarding monitoring programs to support improved water quality.
    - A map-based dashboard showing monitoring results for mining-related substances across the valley compared to monthly regulatory limits.

- The Hub has been shared with governments and interested parties in both Canada and the U.S. with an offer for workshops and demonstrations. Feedback has been positive and the site appears to address a number of questions and concerns relating to access and availability of data and information.
- Ktunaxa Nation Council (KNC), the four Ktunaxa First Nations, and BC recently signed an extension of the Strategic Engagement Agreement (SEA) until Mar. 31, 2024, during which time the parties will address governance structures, characterize how aboriginal rights are held within the Ktunaxa Nation, and create interim structures to ensure government-to-government (G2G) engagement continues.
- Montana approved a water quality standard regulating selenium concentrations for the U.S. side of Lake Koocanusa in December 2020. A draft selenium Water Quality Objective (WQO) for Koocanusa Reservoir was developed by ENV and KNC through a rigorous multi-year collaborative and transparent process using the best available data, sound science, and established B.C.-specific protocols and procedures for developing WQOs.
- B.C. is preparing to proceed to the public comment period on a draft selenium WQO for Koocanusa Reservoir later this spring.

Contact: Ken Macartney 250-952-2465
Executive Director, International Relations

2023/24 Estimates Note - Advice to the Premier

Title: Daylight Saving Time (DST)

Issue: Circumstances regarding whether to make DST permanent in B.C.

Response:

- Most places in B.C. moved to Daylight Saving Time (DST) on March 12, 2023.
- In 2019, amendments to the *Interpretation Act* were passed to enable B.C. to switch to a "Pacific Standard Time" (permanent DST).
- The legislation was in response to the results of a province-wide survey released in September 2019. Out of the 223,273 people who responded to the survey, 93% approved of ending the seasonal time change. 54% of British Columbians said it was "important" or "very important" for B.C. to be aligned with neighbouring jurisdictions in its time observance practices.
- B.C.'s policy position on the permanent move to DST has been that this would be considered alongside decisions in other jurisdictions in Canada and in the United States.
- I am encouraged that the U.S. Senate has reintroduced legislation enabling a move to permanent DST for U.S. states.
- An Order-in-Council will be needed to bring B.C.'s provisions into force, if and when the province decides to move to DST permanently.
- Other than the Yukon, no other jurisdiction in the Pacific Time Zone (or Alaska) has been able to implement permanent DST.

Background/Status:

- In 2019, B.C. passed legislation to enable B.C. to switch to a "Pacific Standard Time," alongside jurisdictions in the U.S., including Washington state, Oregon, and California.
- At least 45 states have proposed legislation to change their observance of DST, of which 18 states have enacted legislation or passed resolutions to provide for year-round DST. All states observe DST except for Arizona and Hawaii which remain in standard time all year.
- While year-round DST has been approved in Washington state and Oregon, and has been considered in California, any move to enact the change requires state legislation to be approved by the U.S. federal government.

Congressional Approval

- States need authorization from Congress to become exempt from the Uniform Time Act of 1966 which established the system of uniform DST throughout the United States.

- On March 15, 2022, the U.S. Senate voted unanimously to pass the Sunshine Protection Act, legislation that would permit the establishment of permanent DST in jurisdictions across the United States. The House of Representatives did not pass the bill prior to the close of Congress, and as a result the bill died. The bill received bipartisan support and was co-sponsored by Senator Patty Murray (D-Washington) and Senator Ron Wyden (D-Oregon).
- On March 1, 2023 Senator Marco Rubio (R-Florida) re-introduced the Sunshine Protection Act. The bill has been read twice and referred to the Senate Committee on Commerce, Science and Transportation. A companion bill has been introduced in the House of Representatives.

Yukon

- On March 4, 2020, Yukon formally announced it will make DST permanent.

Washington

- In May 2019, Governor Jay Inslee signed legislation to make DST permanent in Washington state but has opted to wait for neighbouring jurisdictions before enacting the legislation.
- Washington has indicated that they would prefer to stay aligned with California.

Oregon

- In June 2019, Governor Kate Brown signed legislation to keep most of the state on permanent DST. This legislation is contingent on both California and Washington state approving similar laws.

California

- In 2018, California voters supported Proposition 7 which gave state lawmakers the authority to move the state to year-round DST following approval from Congress.
- In order to make that change, such a proposal first needs to pass through the state legislature. State lawmakers have tried and failed to pass measures by the end-of-session deadline, mostly recently in 2022.
- A new effort was introduced by Assembly member Steven Choi in February 2022. If successful, the bill would set California's standard time to year-round DST upon federal approval.

Contact: Kenneth Macartney (250) 217-8278
Executive Director, International Relations

2023/24 Estimates Note - Advice to the Premier

Title: MLA Glumac Role - PNWER

Issue: Role of MLA Rick Glumac as Premier's Liaison for the Pacific Northwest

Response:

- I was pleased to appoint MLA Rick Glumac to the position of the Premier's Liaison for the Pacific Northwest.
- In this role, MLA Glumac will help strengthen our government's relationship with our American neighbours to the south.
- In his upcoming term as President to the Pacific NorthWest Economic Region (PNWER) he will also help promote cross-border commerce and mutual cooperation.
- He will support me on my missions to the region, and support work by the Minister of Emergency Management and Climate Readiness on the Nooksack River Transboundary Initiative, as well as support work by the Minister of Transportation and Infrastructure to implement high-speed rail between Metro Vancouver and Portland.
- He will also explore opportunities to build greater linkages between the Pacific Northwest state legislators and the BC Government.

Background/Status:

The attached March 8, 2023 mandate letter from Premier Eby to MLA Glumac outlines the roles and expectations associated with this appointment.

Previously, MLA Glumac had served in the role of Premier's Liaison for the State of Washington, a position he was appointed to by former Premier Horgan on December 15, 2020.

MLA Glumac is currently Vice-President, Pacific NorthWest Economic Region (PNWER) and will assume the Presidency at the PNWER Annual Summit in July 2023 in Boise, Idaho. His Presidency will continue until the end of the PNWER Annual Summit in July 2024, which will take place in Whistler. PNWER is a statutory public/private nonprofit created in 1991 by the US states of Alaska, Idaho, Oregon, Montana and Washington and the Canadian provinces/territories of Alberta, B.C., Saskatchewan, Yukon and NWT. Its mission is to increase the economic well-being and quality of life for all citizens of the region, while maintaining and enhancing our natural environment. Among other activities, it promotes "models of success", promotes greater regional collaboration and exchange of information, and seeks to leverage regional influence in Ottawa and Washington, D.C.

Contact: Ken Macartney 250 217-8278
Executive Director, International Relations

BRITISH COLUMBIA

March 8, 2023

Rick Glumac, MLA
Port Moody-Coquitlam
Parliament Buildings
Victoria, BC V8V 1X4

Dear MLA Glumac:

I would like to thank you for the work you have done to date to fulfill our government's commitment to build a stronger British Columbia and ensure our economic recovery includes everyone.

Our government is committed to listening to the issues that matter most to British Columbians. Building strong international relationships will help protect British Columbia against uncertain global economic forces. In the context of rising inflation, supply chain challenges, and labour shortages, fortifying our existing connections will ensure that we can solidify our strong employment numbers and grow our economy in a way that is sustainable for future generations.

I am appointing you to the position of the Premier's Liaison for the Pacific Northwest.

In this role, you will strengthen our government’s relationship with our American neighbours to the south. You will engage through your work and upcoming term as President to the Pacific NorthWest Economic Region (PNWER) to bolster and promote cross-border commerce and mutual cooperation.

I expect you to:

- As the incoming President of PNWER, explore opportunities to connect PNWER with Canadian businesses, academic, non-profits and other stakeholders, and identify opportunities to grow BC partnerships through these discussions.

.../2

Office of the Premier

Web Site:
www.gov.bc.ca

Mailing Address:
PO Box 9041 Stn Prov Govt
Victoria BC V8W 9E1

Location:
Parliament Buildings
Victoria

- Additionally, work to build up the PNWER Canada entity to better access the opportunities and advantages available south of the border and connect PNWER to stakeholders that would benefit from an enhanced PNWER Canada. This should include hosting the PNWER conference, associated with assuming the role of President.

- Accompany and support me on my missions as Premier to the Pacific Northwest region.

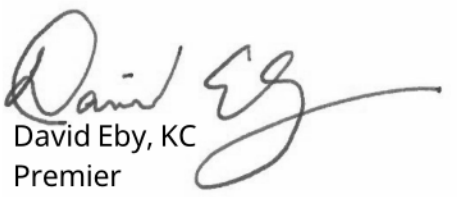
- Support the Minister of Emergency Management and Climate Readiness' work to establish the Nooksack River Transboundary Initiative, connecting our government's continued efforts on flood mitigation in the Sumas region through a strong partnership with Washington State to address flood risk from the Nooksack River.

- Support the Minister of Transportation and Infrastructure on the work to implement high-speed rail between Metro Vancouver and Portland, through a strong partnership with our neighbours to the south.

- Explore opportunities to build greater linkages between the Pacific Northwest state legislators and the BC Government to allow for better information sharing and collaboration.

I look forward to hearing updates on your work and receiving your advice to help ensure government programs and policies build a stronger province that leaves no one behind.

Sincerely,



David Eby, KC
Premier

2023/24 Estimates Note - Advice to the Premier

Title: Indo-Pacific Relations

Issue: B.C.'s interests in the Indo-Pacific and Canada's Indo-Pacific Strategy

Response:

- British Columbia has significant and long-standing economic, cultural and people-to-people ties with the Indo-Pacific.
- British Columbia is deeply connected to the region through its large and diverse diaspora communities, which are also important assets in building stronger relationships.
- B.C. seeks to expand and diversify opportunities for its exporters in the region, as well as promote international education and tourism.
- To help our exporters and attract investment, British Columbia has 14 Trade and Investment Offices across the Indo-Pacific region.
- Premier-led and Minister-led missions to the region are also important in opening doors for B.C. companies, attracting investment, furthering educational and other ties and building relationships.
- As the gateway to the Pacific, British Columbia welcomes strengthened engagement by Canada as laid out in the new Indo-Pacific Strategy.
- We welcome efforts to expand market access and trade diversification in the region through trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and those being negotiated with ASEAN (Association of Southeast Asian Nations), Indonesia and India.
- We are in regular touch with the federal government in relation to Canada's evolving foreign and trade policy approach towards China.
- Like the rest of Canada, British Columbia has a large trading relationship with China and we have a history of cooperation on the transition to a low carbon economy, including the use of mass timber and hydrogen.
- We recognize that defending Canada's national interests will at times require challenging the Chinese government, and that Canada will also seek to cooperate with China to find solutions to global issues such as climate change.
- B.C.'s increasing engagement in the region is also driven by India's growing economic and demographic importance, B.C.'s long-standing and deep relationships with Japan and South Korea and the centrality of ASEAN to the region.

Background/Status:

The Indo-Pacific, which stretches from Central Asia to East Asia and includes the Indian Ocean and Oceania, will play a critical role in shaping the future of Canada, and British Columbia in particular, over the next half-century. Encompassing 40 economies, over four billion people and $47.19 trillion in economic activity, it is the world's fastest growing region.

As Canada's gateway province, British Columbia has long-standing and deep ties to the Indo-Pacific. This translates to an outsized role for B.C. in Canadian exports to the region. B.C.'s share of Canadian exports globally is 9%. In the Indo-Pacific, B.C.'s share is 9% with India, 13.6% with ASEAN, 28% with China/Hong Kong, 34% with Japan, 43% with Taiwan and 48% with South Korea. Provincial trade diversification efforts focus heavily on this region and 14 of 19 B.C. international Trade and Investment Offices are located in the region (4 in India, 4 in China, 1 office each in Japan, South Korea, the Philippines, Indonesia, Singapore and Vietnam). All are co-located within Canadian Embassies or Consulates. Premier-led and Minister-led missions to the region are resuming after a covid-connected hiatus. These missions are important in opening doors for B.C. companies, attracting investment, furthering educational and other ties and building relationships.

British Columbia is also deeply connected to the region through its large and diverse diaspora communities, including in particular those of Indian, Chinese and Filipino heritage. British Columbia also hosts large numbers of international students from India, China and other parts of the Indo-Pacific.

Canada released its long-awaited Indo-Pacific Strategy (IPS) November 27, 2022. The IPS is meant to be a "generational shift" to the region, which is rapidly becoming the global centre of economic dynamism and strategic challenge.

Canada's evolving approach to China is a critical part of the IPS. It notes that "China is looking to shape the international order into a more permissive environment for interests and values that increasingly depart from ours". It also indicates that "at the same time, China's sheer size and influence makes cooperation necessary to address some of the world's existential pressures and China's economy offers significant opportunities for Canadian exporters." The IPS states that "in areas of profound disagreement, we will challenge China…" and that "we will work with China to find solutions to global issues."

The strategy highlights the importance of India, the North Pacific and ASEAN to Canada's future and describes the significant new resources that will be devoted to increasing engagement in the region and showcasing Canada as a reliable partner. Many of the IPS-linked announcements could be of significant interest to B.C. including the reinforcement of Canada's Indo-Pacific naval presence, the negotiation of new trade agreements, student scholarships and research opportunities, new resources to promote the diversification of trade in natural resources and the bolstering of visa-processing capacities in the region, to name a few.

Contact: Ken Macartney
Executive Director, International Relations, IGRS
250 217-8278

2023/24 Estimates Note - Advice to the Premier

Title: B.C. – China Relations

Issue: B.C. – China Relations

Response:

- Like the rest of Canada, B.C. has a significant trading relationship with China.
- We also have a long-standing sister-province relationship with Guangdong Province in China, which has both economic benefits and has allowed for cooperation on issues relating to a low-carbon future, including mass timber.
- B.C. continues to attract significant numbers of international students from China and has been a major destination for Chinese tourists.
- The large and diverse communities of British Columbians of Chinese heritage have made extraordinary contributions to the fabric of this province.
- British Columbia consults closely on and follows Canada's lead in its evolving approach to relations with the government of the People's Republic of China.
- We recognize that defending Canada's national interests will at times require challenging the Chinese government on its behaviour, and that Canada will also seek to cooperate with China to find solutions to global issues such as climate change.
- Allegations of foreign interference in recent elections in Canada, including in British Columbia, are a considerable concern. Canadians deserve a thorough and independent investigation into these claims.
- B.C. supports Canada's approach to issues in Hong Kong, including support for the right to peaceful protest. B.C. shares Canada's concerns relating to the National Security Law and other laws imposed on Hong Kong.
- B.C. follows Canada's One China policy, which does not recognize Taiwan as a sovereign state, but promotes unofficial but valuable economic, cultural and people-to-people ties with Taiwan.

Background/Status:

Canada – China Relations

- The Canada-China relationship has been under strain due to a number of issues, including the past arbitrary detention of two Canadians, Michael Kovrig and Michael Spavor. More fundamentally, in Canada's recent Indo-Pacific Strategy (IPS), China is described as "an increasingly disruptive power". The policy outlined in the IPS views those behaviours and policies of the government of China which erode the existing rules-based international order as undermining Canadian interests. At the same time, it acknowledges that China's sheer size and influence

makes cooperation necessary to address the world's existential pressures, such as climate change. It also notes that China's economy offers significant opportunities for Canadian exporters.

- In sum, the policy states, "In areas of profound disagreement, we will challenge China, including when it engages in coercive behaviour – economic or otherwise – ignores human rights obligations or undermines our national security interests and those of partners in the region. We will cooperate with China to find solutions to global issues such as climate change, biodiversity loss, global health and nuclear proliferation."
- Media reports over the past few months allege that the Chinese government has been involved in foreign interference in Canadian elections. In response PM Trudeau on March 6, 2023 asked the National Security and Intelligence Committee of Parliamentarians to study foreign interference in the 2019 and 2021 federal elections, and spoke to the Chair of the National Security and Intelligence Review Agency about a review of how Canada's national security agencies handled the threat of foreign interference in those elections. He subsequently named former governor general David Johnston as an Independent Special Rapporteur tasked with building on the work of the Committee and Review Agency and recommending additional processes, such as a formal public enquiry.

B.C. – China Relations

- B.C. businesses have connections with China across a variety of economic sectors, including clean technology, agriculture, energy and forestry.
- China and Hong Kong ranked #2 as a destination for B.C. exports behind the U.S., with B.C. exports totalling almost $8.7 billion in 2022. 13.5% of B.C.'s commodities were shipped there.
- B.C. has four Trade and Investment offices in China, co-located in the Canadian Embassy in Beijing and in consulates in Shanghai, Guangzhou and Chongqing.
- The large and diverse multi-ethnic Chinese diaspora communities in B.C. have long made, and continue to make, valuable contributions to the economy and social fabric of B.C.
- China is a top source country for international students in B.C., and there are many successful offshore schools in China following the B.C. curriculum. B.C. also has many educational partnerships with China.

Hong Kong

- Hong Kong is a Special Administrative Region of the People's Republic of China. It operates under the "One Country, Two Systems" principle. B.C.'s approach to Hong Kong is consistent with that of Canada's, which is to support the right to peaceful protest and autonomy under Hong Kong's Basic Law and the "One Country, Two Systems" framework.

- Along with fellow foreign ministers of the "Five Eyes" intelligence alliance, Canada issued a joint statement condemning the erosion of democracy in Hong Kong's tightly-vetted Legislative Council elections which took place December 19, 2021.

Taiwan

- Under its One China Policy, Canada does not recognize Taiwan as a sovereign state or conduct government-to-government relations; however, it maintains unofficial but valuable economic, cultural and people-to-people ties. B.C. follows this approach.
- China's military forces have carried out aggressive exercises close to Taiwan. According to the IPS, "Canada will oppose unilateral actions that threaten the status quo in the Taiwan Strait."
- Taiwan is a key economic partner for B.C. B.C. exported over $1 billion in goods to Taiwan in 2022, which comprised over 43% of all Canadian exports to Taiwan.
- B.C. is in the process of opening a Trade and Investment office co-located in the Canadian Trade Office in Taipei, which represents Canadian interests in Taiwan in the absence of formal diplomatic relations.

Meng Wanzhou Case

- The arrest of Huawei's Chief Financial Officer, Meng Wanzhou, at YVR in December 2018, and the subsequent arbitrary detention of Michael Kovrig and Michael Spavor in China, was a significant turning point in Canada-China relations.

- On September 24th, 2021, Ms. Meng made a deal with U.S. prosecutors and returned to Shenzhen, China. The same day, Prime Minister Trudeau announced that Michael Kovrig and Michael Spavor had been released and were returning to Canada.

B.C. – Guangdong

- B.C. and Guangdong formed a sister-province relationship in 1995.
- Guandong is the ancestral homeland of a large proportion of British Columbians of Chinese heritage.
- Recent activities under this twinning arrangement have focused on the promotion of mass timber and low carbon energy.

Contact: Kenneth Macartney – 250 217-8278
Executive Director, International Relations, IGRS

2023/24 Estimates Note - Advice to the Premier

Title: International Trade Missions

Issue: Premier-led Missions in Fiscal Year 2022-2023

Response:

- Trade missions are an effective tool to leverage economic opportunities for B.C. with our priority partners and international markets.
- This government is committed to advancing international relationships on key priorities and interest, including growing and diversifying trade and investment ties.
- As the world continues to open up post-covid, re-connecting with our international partners is more important than ever to ensure B.C. can leverage our trade and investment relationships to ensure there are good paying jobs for British Columbians.
- In fiscal year 2022-23, there were two Premier-led international missions:
  - Premier Horgan went to San Francisco on October 6th to sign a climate agreement under the auspices of the Pacific Coast Collaborative and to promote trade and investment.
  - I went to Seattle and Olympia, WA, on March 13th to advance shared priorities and the green economy.
- Planning for the 2023/24 fiscal year is evolving with priorities to be confirmed in consultation with line ministries.
- Costs associated with Premier-led missions are subject to fiscal compliance and review.

Background/Status:

Premier Horgan Mission to San Francisco - October, 6, 2022

- Premier Horgan went to San Francisco to sign a Statement of Collaboration with California, Oregon, and Washington recommitting the region to climate action, under the auspices of the Pacific Coast Collaborative. The statement focused on working together to chart a path to a cleaner energy, stronger future with good jobs and opportunities for both sides of the border.
- The program also included a meeting with the Port of San Francisco and an Investor Roundtable.

Premier Eby Mission to Seattle and Olympia, WA - March 13, 2023

Premier Eby undertook his first international visit to Washington State to meet Governor Inslee in Olympia and meet with private sector representatives in Seattle, to discuss shared priorities and the green economy.

2023/24 Estimates Note - Advice to the Premier

Issues:

Past Missions for Fiscal 2023/24

Dates	Mission	Delegation
Oct. 5-7, 2022	San Francisco	Premier Horgan, Lindsay Byers, Jarrett Hagglund, Silas Brownsey
March 12-13, 2023	Olympia and Seattle, WA	Premier Eby, MLA Rick Glumac, Jess Smith, Aileen Machell, Silas Brownsey

Upcoming Missions for Fiscal 2023/24

Dates	Mission	Delegation	Status
May 27-June 6, 2023	Asia mission: Tokyo, Japan; Seoul, Korea; and Singapore	Premier (May 28-June 6) Minister Osborne (May 27-June 3) Minister Bailey (May 23-June 3) Minister of State Brar (May 23-June 3) Others: Matt Smith, Jessica Smith, Shannon Salter, Silas Brownsey, Leslie Teramoto, Marlene Behrens, Fazil Mihlar, William Hoyle, Shannon Baskerville	Planned

Advice/Recommentations

Mission Costs

- Mission travel costs are proactively released on the government's website.
- Our missions are cost-effective, with a minimum of support staff and travel.

Contact: Ken Macartney 250-217-8278
Executive Director, International Relations

2023/24 Estimates Note - Advice to the Premier

Title: Foreign Interference

Issue: Foreign interference targeting elections, elected representatives and the diaspora community

Response:

- We are deeply troubled by allegations of foreign interference in recent elections in Canada, including in British Columbia.
- Canadians deserve a thorough and independent investigation into these claims.
- It is vitally important for our democracy that our electoral system is safeguarded from foreign interference and that Canadians and British Columbians have faith in that system.
- Also of great concern are reports suggesting the targeting by Chinese government agents of Canadian elected officials and their families for taking positions in opposition to Chinese government behaviour and policy.
- It is completely unacceptable for any British Columbian or Canadian to feel threatened personally or out of concern for family members abroad, for exercising their democratic rights to express their views and concerns.
- The large and diverse communities of British Columbians of Chinese heritage have made extraordinary contributions to the fabric of this province. Those communities should feel protected and be able to count on the support of the province and all its citizens, as well as Canada's police and security agencies.
- As these reports surfaced in the media, I requested and received a briefing from CSIS in late March of this year, and remain seized of this issue.
- Our officials maintain close contact with Global Affairs Canada as well national public safety officials.
- We will be also be working with Public Safety Canada and Elections BC to help protect the integrity of upcoming elections and democratic institutions in the province.
- British Columbia consults closely on and follows Canada's lead in its evolving approach to relations with the government of the People's Republic of China.
- We recognize that defending Canada's national interests will at times require challenging the Chinese government on its behaviour.

2023/24 Estimates Note - Advice to the Premier

Background/Status:

- Media reports over the past few months allege that the Chinese government has been involved in foreign interference in Canadian elections. In response PM Trudeau on March 6, 2023 asked the National Security and Intelligence Committee of Parliamentarians to study foreign interference in the 2019 and 2021 federal elections, and spoke to the Chair of the National Security and Intelligence Review Agency about a review of how Canada's national security agencies handled the threat of foreign interference in those elections. He subsequently named former governor general David Johnston as an Independent Special Rapporteur tasked with building on the work of the Committee and Review Agency and recommending additional processes, such as a formal public enquiry.
- On May 8, the federal government announced the expulsion of a Chinese diplomat accused of targeting MP Michael Chong.

Contact: Kenneth Macartney – 250 217-8278
Executive Director, International Relations, IGRS

2023/24 Estimates Note - Advice to the Premier

Title: Consular Corps Relations

Issue: B.C. Consular Corps

Response:

- I have designated Minister Bruce Ralston as minister responsible for the Consular Corps of British Columbia, and asked him to use his relationships with consuls general and honorary consuls based in our province to build an economic recovery that works for everyone.
- The 85 countries who comprise the Consular Corps of B.C. represent their countries and promote their countries' trade within our province. As such, they are key to B.C.'s goals of building connections in new markets, increasing exports and highlighting B.C. as a low-carbon supplier.

Background/Status:

- Maintaining strong relations with the B.C. Consular Corps is key to advancing British Columbia's international objectives and enables the Province to highlight British Columbia as a destination for trade, investment, tourism, education and immigration.
- The Province works to maintain strong relations with the foreign representatives in British Columbia through regular briefings and hosting official visits from foreign delegations.
- In the last fiscal year there were 68 virtual meetings and in-person meetings with foreign dignitaries and Canadian officials posted abroad. These included 46 meetings with Consuls General; 16 with Ambassadors or High Commissioners posted to Canada; and 3 with delegations.
- The B.C. Consular Corps is comprised of 34 consular posts staffed by foreign diplomats and 55 consular posts staffed by honorary consular officers who are Canadian citizens. In total, 85 countries have representation based in B.C.
- There are also four international organizations based in B.C.:
    - the Commonwealth of Learning;
    - the North Pacific Anadromous Fish Commission;
    - the North Pacific Marine Science Organization; and
    - the Pacific Salmon Commission.
- In addition, there is one "Special Office" - the Taipei Economic and Cultural Office (TECO) in Vancouver and one "Other Office" - the Hong Kong (SAR) Economic and Trade Liaison Office.
- The Office of Protocol generally organizes two briefings per year for the Consular Corps by ministers and senior government staff.

- The last ministerial briefing held on March 28, 2022 included presentations on major energy projects and energy exports, including BC's Hydrogen strategy; the Stronger BC Economic Plan and post-COVID 19 economic recovery; and BC's climate adaptation strategy. 41 officials from the Consular Corps participated, as well as the Ambassador of Israel.

Contact:

Lucy Lobmeier – 250-356-6177
Chief of Protocol and Executive Director, Office of Protocol

2023/24 Estimates Note - Advice to the Premier

Title: French Language Service Policy

Issue: Development of a French language service policy

Response:

- The province is proud to provide services and information in French in several priority sectors including education, justice, health, etc.
- We have had several discussions with the B.C. Francophone Federation (FFCB) and its broader membership on the policy over the last year, and further discussions are still underway.
- If adopted, a policy would be a framework providing guidance to ministries as to what government information and services should be made available for French-speakers in B.C.
- This is a long-standing request from the francophone community and the Province is at the development stage.

Background/Status:

- The Province provides French-language services and information in several priority sectors including health, early childhood, justice, immigration, economic development, arts & culture, and social services.
- Despite providing many services and information in French, the francophone community has had a long-standing request to B.C., as the only jurisdiction in Canada without a French language service policy, to develop a framework.
- The policy is at the development stage. Consultation with ministries has been completed. Stakeholders' expectations remain high and francophone organisations have requested additional opportunities for engagement.
- If adopted, the policy would formalize current government practices, encourage further engagement between ministries and the francophone community, and provide government-wide guidance when it comes to French-language service delivery.
- The policy would be implemented incrementally and as resources allow.
- This work is consistent with government's approach to inclusiveness and government service accessibility.

Contact: Vincent Portal – 778-698-2990
Director, Francophone Affairs

2023/24 Estimates Note - Advice to the Premier

Title: Canada-B.C. Agreement on French Language Services

Issue: Agreement Renewal

Response:

- B.C. and Canada have had an agreement on French Language Services since 2001.
- The current Agreement expired on March 31, 2023. B.C. is in discussions with Canada to extend the agreement by one year, pending the release of further details on the federal government's 2023-2028 Action Plan on Official Languages.
- The purpose of the Agreement is to increase the Province's capacity to serve its francophone community.
- The Agreement is consistent with government's commitment to provide better services for people, and to support an inclusive, strong and sustainable province.

Background/Status:

- The Canada-B.C. Agreement on French Language Services (the "Agreement") was first signed in 2001. In 2018, the B.C. government signed a 5-year agreement (2018 – 2023).
- B.C. is currently in discussions with Canada to extend the Agreement by one year pending the release of details of the federal government's 2023-2028 Action Plan on Official Languages (OLAP) from which funds flow to the province
- The release of the 2023-2028 OLAP and its associated funding envelope will inform B.C.'s approach with respect to the negotiation of a new multi-year agreement.
- Under the current Agreement, the Federal government provides annual funding of $700,000 and B.C. contributes the equivalent of $700,000.
- The purpose of the Agreement is to increase the Province's capacity to serve its francophone community.
- The Agreement focuses on supporting initiatives aligned with priority sectors identified through a consultation process with the francophone community e.g., health, early childhood, justice, social services, economic development, arts and culture.
- The Agreement is consistent with government's commitment to provide better services for people, and to support an inclusive, strong and sustainable province.

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INTERGOVERNMENTAL RELATIONS SECRETARIAT
Organization Chart (February, 2023)

