

**MINISTRY OF JUSTICE  
POLICING AND SECURITY BRANCH  
BRIEFING NOTE**

**PURPOSE:** For INFORMATION Honourable Suzanne Anton, Attorney General and Minister of Justice

**ISSUE:** June 10, 2015 meeting with Ministers Cadieux, Fassbender, Virk and MLAs Hunt and Hogg on Crime in Surrey

**SUMMARY:**

- Surrey has experienced a significant number of targeted shooting and stabbing incidents over the past several months that are believed to be connected to gang involved youth and young adults and the drug trade.
- Surrey continues to work to address the underlying causes of violence in the city, design and implement multi-pronged tactics and strategies to address these underlying causes, and to establish partnerships and policies to reduce the likelihood of violence and crime.
- The Province is actively collaborating with the City of Surrey on a number of initiatives aimed at improving community safety issues in the city including:
  - The provision of approximately \$1M in Civil Forfeiture Grants since 2010 for programs aimed at youth in gangs, domestic violence and other community based programs;
  - Participation on the Surrey Criminal Justice Task Force; and
  - Targeted enforcement initiatives and police response.

**BACKGROUND:**

- Though violent crime in Surrey has been on a downward trend in the past ten years – averaging 13.5 murders per year – in 2013 the number of murders spiked to 25.
- Recent crime reporting by Surrey RCMP shows a 32% decrease in homicides in 2014 from 2013. Violent crime was slightly higher (7%) in 2014, but this followed an 8% decrease in violent offences in 2013.
- The decrease in the number of homicides may be attributed to continued work targeting high risk locations through the city.
- Surrey has Canada's largest RCMP detachment and its officer caseload is in line with the average caseload of 60 for the RCMP-policed municipalities with a population of 15,000 and over.
- In February 2015, Surrey's city manager wrote to Minister Anton requesting 100 additional RCMP members. This request was supported by a December 2014 approval by Surrey council for funding for these additional members. This request has been forwarded to the federal government for approval. On May 19, 2015, Public Safety Canada announced the approval of the 100 additional RCMP officers for Surrey.

- The provincial anti-gang agency the Combined Forces Special Enforcement Unit – British Columbia (CFSEU-BC) is engaged in the response to the crime and violence in Surrey and Delta and is working in coordination with Surrey RCMP and the Integrated Homicide Investigation Team (IHIT) and Delta Police Department to respond to gangs and organized crime in those communities.
- In addition to its gang-related suppression and enforcement efforts, CFSEU-BC, in collaboration with its government and policing partners, has also created and is leading a gang prevention and education effort in the province with its End Gang Life campaign ([www.endganglife.ca](http://www.endganglife.ca)).
- On May 19, 2015, in addition to the approval of 100 new RCMP officers for Surrey, Public Safety Canada announced approximately \$3.5 million in funding over five years for the Surrey Gang Reduction Program. This program will provide approximately 400 Surrey area at-risk youth between the ages of 11 and 19 with life and resiliency skills to help them move away and keep them from violence and the gang lifestyle. The Surrey School District's Board of Education will deliver this program in partnership with Surrey RCMP and the City of Surrey.

## **DISCUSSION:**

### Responses to Gangs and Organized Crime – Law Enforcement

- CFSEU-BC brings together 14 law enforcement agencies integrated under a single command structure. This integrated joint forces operation develops and draws highly-specialized officers from federal, provincial and municipal agencies. CFSEU-BC is currently led by a police executive team comprised of a Chief Officer, a Deputy Operations Officer, and a Deputy Operations Support Officer.
- Since 2009, CFSEU-BC has expanded to include the Organized Crime Agency British Columbia (OCABC), Uniform Enforcement Teams, Firearms Enforcement Team and Investigation Teams and others that fall under its responsibility. A priority project at CFSEU-BC has been the development and implementation of the Provincial Tactical Enforcement Priority (PTEP). This provincial –wide program, which is being utilized in Surrey targets identified offender groups and assists the detachment in developing enforcement strategies.
- In addition to the PTEP program, from April 4 to May 30, 2015 the CFSEU-BC members working with the RCMP Surrey Detachment and IHIT in a focused team approach have checked 1,621 persons and 1,304 occupied vehicles, made 255 arrests, seized approximately \$25,845 in currency, numerous firearms and assorted weapons, and a quantity of drugs.

### Responses to Gangs and Organized Crime – Crime Prevention

- CFSEU-BC launched “End gang life” a province-wide anti-gang prevention campaign aimed at at-risk youth. Through the use of video and posters the anti-gang campaign uses bold, engaging, and powerful imagery and language that speaks to people and will hopefully give youth a fresh perspective on what gangs really are, give communities a rallying point around which they can mobilize against gangs in their neighborhoods, and make gang members pause and have a second thought about their life choices. This campaign is grounded in academic research and has the support of all levels of provincial government.
- The Ministry of Justice has provided support in the amount of \$293,500 to the Surrey Wraparound Program (WRAP) through the Civil Forfeiture Grant funding program. This funding enhanced the base funding support received from Public Safety Canada’s National Crime Prevention Strategy (\$880K between 2008 and 2011 and \$500K from 2011 to 2013).
- Surrey WRAP was launched in 2009 to help youth at risk of gang involvement. The program is one of Canada’s leading youth gang intervention programs and currently serves 60 youth.
- The program is a partnership between the Surrey School District, Surrey RCMP and the City of Surrey; which brings together several community partners in Surrey to provide longer-term, encompassing services and support for gang-associated youth and their families.
- On April 28, 2015, an additional \$270,000 was committed by the Province to further enhance and support the program and alleviate the waitlist for youth trying to access its services.

### Targeting High Risks in the Community

- In late 2013, after a number of high profile homicides in the city, former Surrey Mayor Dianne Watts announced the formation of the Mayor’s Homicide Task Force to address the causal and contributing factors of the homicides. The High Risk Location (HRL) Initiative was a subset of this task force, initiated and led by the Surrey RCMP.
- The HRL Initiative included stakeholders from the City of Surrey, the Surrey RCMP, the RCMP “E” Division, the Combined Forces Special Enforcement Unit of BC, the Integrated Homicide Investigation Team, Transit Police, Surrey Fire Services, Surrey By-Law, Surrey School District, and an Academic from the University of the Fraser Valley. The Initiative was tasked with establishing a collaborative approach to define, identify and respond to high risk locations that posed the greatest risk to public safety in Surrey.
- HRL properties were identified for response if they generated a disproportionate number of calls for service or were known or suspected of being clandestine drug labs, drug houses, drug lines, legal or illegal marihuana grow houses, or unlicensed

recovery homes. These properties were entered into a database to allow for a central repository of information to facilitate a multiagency response and deployment of their services.

- The HRL Initiative demonstrated success through the issuance of warrants; arrests; the seizure of drugs, weapons, vehicles, and money; bylaw action; and increased police visibility and community contact. Though these activities resulted in increased reported crimes, the Initiative concluded that the activities of the RCMP, Fire Services, and By-Law Enforcement disrupted the lives of those in HRLs and may result in overall longer term reduction in crime in the community.

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#### Responsive Criminal Justice in the Community

- In February 2014, Former Surrey Mayor, Dianne Watts and the Attorney General and Minister of Justice, Suzanne Anton created the Surrey Criminal Justice Task Force (Task Force). The Task Force was charged with exploring the unique justice needs and challenges in Surrey, including the creation of a specialized or community court. The final report of the Task Force was released in January 2015.
- The Task Force determined that increased communication and collaboration promised to be a more effective response to the identified challenges than creating a specialized court. The Task Force recommended the creation of an integrated services network for administrative offices of justice, health and social services agencies with the potential to directly deliver some services to clients.

#### Responses to Domestic Violence

- Integrated service approaches are increasingly being employed in the response to domestic violence. Surrey RCMP report that approximately 30% of Surrey's assault files relate to domestic violence.
- The Ministry of Justice provides approximately \$1.7M annually to support the delivery of Victim Services and Violence Against Women Programs in Surrey. This includes support for a Police-based Victim Services serving victims of all types of crime, a Community-based Victim Service program serving victims of family and sexual violence, a newly formed Domestic Violence Unit, Children Who Witness Abuse Counselling, Stopping the Violence Counselling, Multicultural Outreach and Outreach Services.
- In February 2015, Premier Christy Clark unveiled the Vision for a Violence Free BC strategy to combat violence against women. In 2015, government action starts with up to \$5M in civil forfeiture funding to support anti-violence and prevention initiatives.

- With the release of the Vision for a Violence Free BC strategy, the opening of a newly integrated Domestic Violence Unit (DVU) in Surrey was announced. Surrey RCMP and the Surrey Women's Centre Society received close to \$200,000 in civil forfeiture proceeds to help establish the new DVU.
- The Surrey DVU is the sixth of its kind in BC, and brings together, in one location, Surrey RCMP police investigators, community-based victim services, and a Ministry of Children and Family Development child protection worker to co-ordinate and collaborate on the highest-risk domestic violence cases.

**OTHER MINISTRIES IMPACTED/CONSULTED:**

- Not applicable.

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**MINISTRY OF JUSTICE  
EMERGENCY MANAGEMENT BC  
BRIEFING NOTE**

**PURPOSE:** For INFORMATION for the Honourable Suzanne Anton, Attorney General, Minister of Justice.

**ISSUE:** To update the status of s.22 and s.22 property damage following a February 18, 2015 landslide in Tappen, BC. This property damage has garnered interest and requests for information from Mr. Greg Kylo, MLA.

**SUMMARY:**

Emergency Management BC (EMBC) has acted promptly and appropriately in dealing with this Disaster Financial Assistance (DFA) application. \$22,731.09 has already been paid and EMBC will be making an additional compensation payment.

**BACKGROUND:**

On March 3, 2015, EMBC approved DFA for the series of rainstorms from February 3 to 23, 2015 in the Regional Districts of North Okanagan and Columbia Shuswap that resulted in flooding and landslides.

On March 9, 2015, EMBC received an application for DFA from the homeowners for damage from a February 18, 2015 landslide that destroyed a garage, well, electrical connections and access to their home. The home itself was not damaged and is not at risk (see map attached).

Emergency officials from the Columbia Shuswap Regional District (CSRD), based on a preliminary engineer report, urged the homeowners to evacuate and connected them with the Red Cross. The homeowners are still unable to return to their home and now reside temporarily with other family members.

The homeowner's property is the s.22  
s.22 on a hillside next to Sunnybrae Road in Tappen, BC. The three property owners access their properties via a driveway easement on Ministry of Transportation and Infrastructure (MOTI) land that branches off from Sunnybrae Road.

The slide debris that landed on the s.22 does not affect the home or access to the home; the s.22 has no debris damage and s.22  
Only s.22 was significantly impacted.

On March 19, 2015, the DFA senior field manager attempted to visit the property but did not complete his evaluation as the area appeared unsafe. Since then EMBC has discussed the homeowner's situation with MOTI and learned that MOTI considers the driveway easement safe for normal use.

On April 9, 2015, the DFA senior field manager visited the site along with an engineer and determined that the garage could be safely removed assuming the MOTI access was safe for heavy equipment.

On April 19, 2015, the senior field manager completed his report and recommended \$29,413.86 in eligible damages including a safety work plan, removing slide debris, finishing and grading the access road, repairing the well, and restoring electrical connections.

On April 20, 2015, the file was adjudicated and the applicants were mailed a DFA payment of \$22,731.09 (recommended amount at 80% after first \$1,000).

On May 6, 2015, at <sup>s.22</sup> request, the DFA senior field manager revisited his property. <sup>s.22</sup> had a draft engineer report that identified the work required to stabilize the land <sup>s.22</sup> his property. Based on quotes obtained by <sup>s.22</sup> this work is expected to cost over \$500,000. Most of the work is on neighbouring property and therefore not eligible for DFA. The senior field manager explained this to <sup>s.22</sup> The senior field manager also documented additional damages that were not visible on his earlier visit.

The senior field manager requested a copy of <sup>s.22</sup> final engineer report, so the EMBC engineer could identify what portion of the work could be considered DFA eligible.

On June 11, 2015, <sup>s.22</sup> called the EMBC office and spoke with the DFA Manager. <sup>s.22</sup> expressed concern that he still cannot move back into his house because he needs to do additional work before heavy equipment can use the driveway. His engineer has prepared a partial remediation report that identifies only the work required to make his driveway safe. <sup>s.22</sup> estimates that this will be about \$20,000.

## DISCUSSION:

The senior field manager will contact <sup>s.22</sup> and ask again for the final geotechnical engineer report and/or the partial remediation report. Upon receipt of this information, he and the EMBC engineer will identify all DFA eligible costs. The senior field manager's report will also include the added cost to repair previously unidentified damage to the well, additional costs to restore the electrical connections to the home, as well as the cost of <sup>s.22</sup> engineer report.

Although EMBC can sympathize with the plight of the homeowners, its support is limited to providing DFA. To that end, EMBC's senior field manager, geotechnical engineer and program staff have, and will continue, to lean forward as far as they can to identify all eligible losses and calculate the maximum DFA payable.

EMBC funding is limited to repairing damage on property owned by the applicant. It cannot fund work on neighbouring property, even if the work is required to make the applicant's property safe. The costs to repair land damage caused by neighbouring property is the responsibility of the respective property owners.

There is a steep trail from the driveway easement to the uppermost property. A preliminary geotechnical engineer report indicates that this trail has four switchbacks with grades from 25% to 45% and very loose fill. The report further states that this trail "likely poses an elevated long term land slide risk" to the homeowner's property. If this is the case, compensation for risk and damages would be a private issue between homeowners.

EMBC has confirmed with MOTI that the driveway easement is located on MOTI land and is safe for normal use.

- Any geotechnical studies MOTI conducts will be only for the purpose of ensuring that Sunnybrae Road is safe. MOTI has no responsibility for ensuring the safety of the driveway easement.
- MOTI has spoken with the homeowners and sent registered letters to all three property owners informing them that they need a permit to use and share this driveway. The permit, which is free, will clarify the users' rights and responsibilities.

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**Attachment #1**  
Map of property and hillside

Attachment #1

Map of property and hillside



**MINISTRY OF JUSTICE  
LIQUOR DISTRIBUTION BRANCH  
BRIEFING NOTE**

**PURPOSE:** For INFORMATION for the Honourable Suzanne Anton.

**ISSUE:** Craft beer briefing on June 24

**SUMMARY:**

- The retail pricing of beer produced by BC's small production breweries since April 1 when wholesale pricing was introduced has garnered significant public attention.
- The BC Craft Brewers' Guild has been effective in raising their concerns with MLA's, who in turn, are asking questions of the Minister responsible for the liquor industry.
- Minister Anton has requested a briefing on some of the more operational aspects, including the areas addressed below.

**BACKGROUND:**

**1. How do products get listed?**

- Category Managers make decisions on the products that are listed to be sold in BC Liquor Stores.
- Category Managers employ the same considerations as any other buyer in a retail organization in making these decisions. These considerations include:
  - Does the product bring something unique to the current BC Liquor Stores' product mix?
  - Is the product in line with current trends in the category?
  - Does the product fit within the category strategy?
  - Is the product's packaging likely to be appealing to consumers?
  - Does the manufacturer have effective marketing plans?
  - What is the price point of the product?
  - Does the product fill a price-point gap in BC Liquor Stores?
  - Does the product have a positive sales record in other retail channels or other jurisdictions?
  - What is the manufacturer's ability to supply product?
  - Is the product exclusive to BCLS?
  - Is the item a margin enhancer? Does it fit within the category profit strategy?

**2. Is it possible to do regional orders (e.g. can the GLS stores in Kamloops carry the beer made there?)**

- Although Category Managers make decisions regarding which products are listed to be sold throughout all BC Liquor Stores, BC Liquor Stores recognize the growing desire of consumers to purchase products that are produced locally.
- Therefore, Store Managers have some discretion to offer a limited number of local products in their particular store that are not listed to be sold across the retail chain.
- Decisions are made on a product-by-product basis.
- Store Managers base their decision on factors that include:
  - the level of consumer demand for the product;
  - how many other local products they already have that are not listed products;
  - the likelihood of consumer uptake given the price point; and
  - the product's appeal.
- There is no guarantee that a BCLS will agree to carry a given product of a manufacturer simply because the manufacturer operates in close proximity to the store.

**3. Can breweries ship directly to licensees?**

Yes, in fact the vast majority of packaged beer, and all draught beer, is privately distributed to retailers, restaurants, bars and pubs (either by the breweries themselves or by a contracted delivery company).

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**MINISTRY OF JUSTICE  
LIQUOR DISTRIBUTION BRANCH  
BRIEFING NOTE**

**PURPOSE:** For INFORMATION for the Honourable Suzanne Anton, Minister

**ISSUE:** Changes to Wholesale Prices for period 4 (June 28 to July 28, 2015)

**SUMMARY:**

- Overall, in period 4, 2.95% of registered stock keeping units (SKUs) increased in wholesale price (1,118 SKUs), 94.88% (35,902 SKUs) remained the same, and 2.16% (819 SKUs) decreased in wholesale price. There are a total of 37,839 SKUs.
- Of the SKUs that increased in price:
  - 11% of the increases are less than 1% (120 SKUs)
  - 15% of the increases are between 1% and 5% (166 SKUs)
  - 20% of the increases are between 5.01% and 10% (224 SKUs)
  - 54% of the increases are more than 10% (608 SKUs)
- Reasons for increases in price:
  - 46% of the overall increases are due to increases in supplier price. These increases will cause a corresponding increase in wholesale price.
  - 53% of the overall increases are due to Wholesale Price Promotions (WPP) that are scheduled to end during period 4. As a result, these SKUs will no longer be sold at a decreased WPP price, but will be sold at the LDB's regular wholesale price.
  - 1% of the overall increases are due to a combination of both an increase in supplier price and a WPP that is scheduled to end during period 4.
- Reasons for decreases in price:
  - Approximately 25% of the overall decreases are due to decreases in supplier price. These decreases will cause a corresponding decrease in wholesale price.
  - Approximately 75% of the overall decreases are due to WPPs that will begin in period 4. As a result, these SKUs will be sold at a decreased WPP price in period 4.

## BACKGROUND:

- By product category:

### Wines

- 2.36% (591 SKUs) increased in price, 95.69% (23,983 SKUs) stayed the same, and 1.95% (489 SKUs) decreased in price. There are a total of 25,063 wine SKUs.
- Of the wine SKUs that increased in price:
  - 9% of the increases are less than 1% (51 SKUs)
  - 11% of the increases are between 1% and 5% (65 SKUs)
  - 17% of the increases are between 5.01% and 10% (104 SKUs)
  - 63% of the increases are more than 10% (371 SKUs)
- Reasons for increases in price:
  - 40% of the overall increases are due to increases in supplier price.
  - 59% of the overall increases are due to WPPs that are scheduled to end during period 4.
  - 1% of the overall increases are due to a combination of both an increase in supplier price and a WPP that is scheduled to end during period 4.
- Examples of wholesale price changes this period for the top ten-selling wine SKUs through the wholesale channel:

Product Name	Last period's wholesale price	This period's wholesale price	Difference	Reason
Sauvignon Blanc – Kim Crawford Marlborough 2014	\$15.67	\$12.67	(\$3.00)	WPP starting
Copper Moon – Malbec	\$19.99	\$22.79	\$2.80	WPP ending
Jackson Triggs Proprietor's Selection Cabernet Sauvignon	\$29.37	\$25.87	(\$3.50)	WPP starting
Prosecco Frizzante – Villa Teresa Organic	\$13.22	\$13.22	—	—
Cabernet Sauvignon – J Lohr Seven Oaks	\$18.28	\$18.28	—	—
Sauvignon Blanc – Oyster Bay Marlborough	\$12.60	\$14.60	\$2.00	WPP ending
Peller Estates – Proprietor's Reserve Pinot Grigio	\$27.86	\$24.36	(\$3.50)	WPP starting

Product Name	Last period's wholesale price	This period's wholesale price	Difference	Reason
Riesling Gewurtztraminer – Hardy's Stamp Series	\$7.79	\$7.79	—	—
Shiraz – Yellow Tail	\$9.31	\$9.31	—	—
Malbec – Finca Los Primos	\$9.51	\$9.51	—	—

### BC Wines

- 29% of the total increases in wine SKUs affect BC wines.
- 1.93% (169 SKUs) increased in price, 96.54% (8,445 SKUs) stayed the same, and 1.53% (134 SKUs) decreased in price. There are a total of 8,748 BC wine SKUs.
- Of the BC wine SKUs that increased in price:
  - 5% of the increases are less than 1% (9 SKUs)
  - 14% of the increases are between 1% and 5% (24 SKUs)
  - 17% of the increases are between 5.01% and 10% (28 SKUs)
  - 64% of the increases are more than 10% (108 SKUs)
- Reasons for increases in price:
  - 48% of the overall increases are due to increases in supplier price.
  - 52% of the overall increases are due to WPPs that are scheduled to end during period 4.
- Examples of wholesale price changes this period for the top ten-selling BC wine SKUs through the wholesale channel:

Product Name	Last period's wholesale price	This period's wholesale price	Difference	Reason
Naked Grape – Pinot Grigio	\$19.99	\$22.79	\$2.80	WPP ending
Domaine D'or White	\$24.08	\$21.38	(\$2.70)	WPP starting
Copper Moon – Pinot Grigio	\$19.99	\$22.79	\$2.80	WPP ending
Copper Moon – Malbec	\$19.99	\$22.79	\$2.80	WPP ending
Jackson Triggs Proprietor's Selection Merlot	\$25.87	\$29.37	\$3.50	WPP ending
Jackson Triggs Proprietor's Selection Pinot Grigio	\$29.37	\$29.37	—	—
Jackson Triggs Proprietor's Selection Cabernet Sauvignon	\$29.37	\$25.87	(\$3.50)	WPP starting

Product Name	Last period's wholesale price	This period's wholesale price	Difference	Reason
Peller Estates – Proprietor's Reserve Pinot Grigio	\$27.86	\$24.36	(\$3.50)	WPP starting
Naked Grape – Pinot Grigio	\$12.30	\$12.30	—	—
Copper Moon – Shiraz	\$22.79	\$22.79	—	—

### Beer

- 1.72% (136 SKUs) increased in price, 96.5% (7,632 SKUs) stayed the same, and 1.78% (141 SKUs) decreased in price. There are a total of 7,909 beer SKUs.
- Of the beer SKUs that increased in price:
  - 2% of the increases are less than 1% (2 SKUs)
  - 7% of the increases are between 1% and 5% (10 SKUs)
  - 24% of the increases are between 5.01% and 10% (33 SKUs)
  - 67% of the increases are more than 10% (91 SKUs)
- Reasons for increases in price:
  - 34% of the overall increases are due to increases in supplier price.
  - 63% of the overall increases are due to WPPs that are scheduled to end during period 4.
  - 3% of the overall increases are due to a combination of both an increase in supplier price and a WPP that is scheduled to end during period 4.
- Examples of wholesale price changes this period for the top ten-selling beer SKUs through the wholesale channel:

Product Name	Last period's wholesale price	This period's wholesale price	Difference	Reason
Stroh Canada – Old Milwaukee Can (15 x 0.355L)	\$14.89	\$14.89	—	—
Labatt – Lucky Lager Can (15 x 0.355L)	\$15.45	\$16.45	\$1.00	WPP ending
Labatt – Budweiser Can (8 x 0.355L)	\$10.87	\$10.87	—	—
Labatt – Budweiser Can (12 0.355L)	\$13.74	\$13.74	—	—

Product Name	Last period's wholesale price	This period's wholesale price	Difference	Reason
Labatt – Budweiser Can (6 x 0.355L)	\$7.26	\$7.26	—	—
Molson – Canadian Can (24 x 0.355L)	\$27.04	\$25.04	(\$2.00)	WPP starting
Labatt – Budweiser Can (24 x 0.355L)	\$17.06	\$17.06	—	—
Columbia – Kokanee Can (24 x 0.355L)	\$27.04	\$27.04	—	—
Molson – Canadian Can (15 x 0.355L)	\$17.06	\$17.06	—	—
Labatt – Budweiser Can (15 x 0.355L)	\$17.06	\$17.06	—	—

#### BC Craft Beer

- 12% of the total increases in beer SKUs affect BC craft beer.
- 0.5% (16 SKUs) increased in price, 98.72% (3,150 SKUs) stayed the same, and 0.78% (25 SKUs) decreased in price. There are a total of 3,191 BC craft beer SKUs.
- Of the BC craft beer SKUs that increased in price:
  - No increases that are less than 1%
  - 6% of the increases are between 1% and 5% (1 SKU)
  - No increases between 5.01% and 10%
  - 94% of the increases are more than 10% (15 SKUs)
- Reasons for increases in price:
  - 69% of the overall increases are due to increases in supplier price.
  - 31% of the overall increases are due to WPPs that are scheduled to end during period 4.
- Examples of wholesale price changes this period for the top ten-selling BC craft beer SKUs through the wholesale channel:

Product Name	Last period's wholesale price	This period's wholesale price	Difference	Reason
Driftwood Brewing – Fat Tug IPA (keg)	\$180	\$180	—	—

Product Name	Last period's wholesale price	This period's wholesale price	Difference	Reason
Lighthouse – Shipwreck IPA	\$10.13	\$10.13	—	—
Big Surf – Laid Back Lager Can	\$6.31	\$6.31	—	—
Hoyne Brewing – Hoyner Pilsner (keg)	\$168.69	\$168.69	—	—
Red Truck Lager (keg)	\$156.09	\$156.09	—	—
Steamworks – Pale Ale Tall Can	\$1.55	\$1.75	\$0.20	WPP ending
Steamworks – Pale Ale	\$9.91	\$9.91	—	—
Lighthouse Brewing – Race Rocks Ale (keg)	\$165.22	\$165.22	—	—
Driftwood – Fat Tug IPA	\$4.75	\$4.75	—	—
Hoyne – Dark Matter	\$4.50	\$4.50	—	—

### Spirits

- 8.29% (344 SKUs) increased in price, 88.91% (3,689 SKUs) stayed the same, and 2.80% (116 SKUs) decreased in price. There are a total of 4,149 spirits SKUs.
- Of the spirit SKUs that increased in price:
  - 20% of the increases are less than 1% (67 SKUs)
  - 25% of the increases are between 1% and 5% (87 SKUs)
  - 25% of the increases are between 5.01% and 10% (87 SKUs)
  - 30% of the increases are more than 10% (103 SKUs)
- Reasons for increases in price:
  - 64% of the overall increases are due to increases in supplier price.
  - 34% of the overall increases are due to WPPs that are scheduled to end during period 4.
  - 2% of the overall increases are due to a combination of both an increase in supplier price and a WPP that is scheduled to end during period 4.
- Examples of wholesale price changes this period for the top ten-selling spirit SKUs through the wholesale channel:

Product Name	Last period's wholesale price	This period's wholesale price	Difference	Reason
Smirnoff – Red Label (0.750L)	\$17.13	\$18.15	\$1.02	WPP ending and supplier increase
Smirnoff – Red Label (1.14L)	\$27.17	\$27.19	\$0.02	Supplier increase
Smirnoff – Red Label (0.375L)	\$9.49	\$9.49	—	—
Crown Royal (0.750L)	\$19.79	\$19.79	—	—
Alberta Pure	\$8.69	\$8.69	—	—
Bailey's – Original Irish Cream	\$21.02	\$21.09	\$0.07	Supplier increase
Crown Royal (1.14L)	\$29.32	\$27.32	(\$2.00)	WPP starting
Smirnoff Red	\$41.74	\$41.74	—	—
Absolut	\$19.00	\$17.36	(\$1.64)	WPP starting
Smirnoff – Red Label Pet	\$16.94	\$18.14	\$1.20	WPP ending and supplier increase

### Refreshments

- 6.55% (47 SKUs) increased in price, 83.29% (598 SKUs) stayed the same, and 10.17% (73 SKUs) decreased in price. There are a total of 718 refreshment SKUs.
- Of the spirit refreshment SKUs that increased in price:
  - No increases that are less than 1%
  - 9% of the increases are between 1% and 5% (4 SKUs)
  - No increases between 5.01% and 10%
  - 91% of the increases are more than 10% (43 SKUs)
- Reasons for increases in price:
  - 13% of the overall increases are due to increases in supplier price.
  - 83% of the overall increases are due to WPPs that are scheduled to end during period 4.
  - 4% of the overall increases are due to a combination of both an increase in supplier price and a WPP that is scheduled to end during period 4.
- Examples of wholesale price changes this period for the top ten-selling refreshment SKUs through the wholesale channel:

Product Name	Last period's wholesale price	This period's wholesale price	Difference	Reason
Palm Bay Pineapple Mandarin Orange Spritz Can	\$6.37	\$7.37	\$1.00	WPP ending
Bulmer – Strongbow Tall Can (8 x 0.440L)	\$16.19	\$15.19	(\$1.00)	WPP starting
Lonetree Cider Can	\$8.13	\$7.13	(\$1.00)	WPP starting
Twisted Tea Half and Half Can	\$18.89	\$16.89	(\$2.00)	WPP starting
Twisted Tea Hard Iced Tea Can	\$18.89	\$16.89	(\$2.00)	WPP starting
Twisted Tea Hard Iced Tea the Original	\$9.93	\$9.93	—	—
Bulmer – Strongbow Tall Can (4 x 0.500 L)	\$9.20	\$9.20	—	—
Okanagan Premium – Bartlett Pear Can	\$7.54	\$6.54	(\$1.00)	WPP starting
Palm Bay Key Lime Cherry Spritz Can	\$7.37	\$7.37	—	—
Palm Bay Ruby Grapefruit Sunrise Spritz Can	\$7.37	\$7.37	—	—

**OTHER MINISTRIES IMPACTED/CONSULTED:**

- N/A

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**MINISTRY OF JUSTICE  
LIQUOR DISTRIBUTION BRANCH  
BRIEFING NOTE**

**PURPOSE:** For INFORMATION for the Honourable Suzanne Anton, Minister

**ISSUE:** Changes to BC Liquor Store Retail Prices for period 4 (June 28 to July 28, 2015)

**SUMMARY:**

- Overall, in period 4, 3.32% of stock keeping units (SKUs) at BC Liquor Stores increased in retail price (659 SKUs), 93.70% (18,622 SKUs) remained the same and 2.99% (604 SKUs) decreased in retail price. There are a total of 19,885 SKUs.
- Of the SKUs that increased in price:
  - 14.11% of the increases are less than 1% (93 SKUs)
  - 17.45% of the increases are between 1% and 5% (115 SKUs)
  - 25.64% of the increases are between 5.01% and 10% (169 SKUs)
  - 42.79% of the increases are more than 10% (282 SKUs)
- Reasons for increases in price:
  - 62.97% (415 SKUs) of the overall increases are due to Wholesale Price Promotions (WPP) that ended in period 3. As a result, these SKUs will no longer be sold at a decreased WPP price, but will be sold at the LDB's regular wholesale price, causing a corresponding increase in the LDB established retail price.
  - 13.66% (90 SKUs) of the overall increases are due to increases in supplier-related costs. These increases will cause a corresponding increase in the LDB established retail price.
  - 6.37% (42 SKUs) of the overall increases are due to the application of margin rules (ie. rules that ensure that the LDB receives a minimum retail margin. These rules vary by product and by product category).
  - 17% (112 SKUs) of the overall increases are due to the application of price ending rules (for example, SKUs priced at \$29.99 or lower must end with either 0.29, 0.49, 0.79 or 0.99).
- Reasons for decreases in price:
  - Approximately 83% of the overall decreases are due to WPPs that will begin in period 4. As a result, these SKUs will be sold at a decreased WPP price, causing a corresponding decrease in the LDB established retail price.

- Approximately 5% of the overall decreases are due to decreases in supplier-related costs. These decreases will cause a corresponding decrease in the LDB established retail price.
- Approximately 9% of the overall decreases are due to decisions made by Category Managers to decrease the price.
- Approximately 1% of the overall decreases are due to a combination of an increase in supplier-related costs and a decision by the Category Manager to decrease the price. In these instances, the increase in supplier-related costs should have led to an increase in the LDB established retail price, but the Category Manager instituted a decrease of a larger magnitude.
- Approximately 1% of the overall decreases are due to new products being priced at clearance pricing.
- Approximately 1% of the overall decreases are due to the application of price ending rules.

## BACKGROUND:

- By product category:

### Wines

- 2.11% (328 SKUs) increased in price, 95.6% (14,841 SKUs) stayed the same, and 2.29% (356 SKUs) decreased in price. There are a total of 15,525 wine SKUs.
- Of the wine SKUs that increased in price:
  - 9.15% of the increases are less than 1% (30 SKUs)
  - 10.37% of the increases are between 1% and 5% (34 SKUs)
  - 23.17% of the increases are between 5.01% and 10% (76 SKUs)
  - 57.32% of the increases are more than 10% (188 SKUs)
- Reasons for increases in price:
  - 77% (252 SKUs) of the overall increases are due to WPPs that ended in period 3.
  - 9% (30 SKUs) of the overall increases are due to increases in supplier-related costs.
  - 14% (45 SKUs) of the overall increases are due to the application of price ending rules.

- Examples of retail price changes this period for the top ten-selling wine SKUs in BC Liquor Stores:

SKU/Product Name	Last period's retail price	This period's retail price	Difference	Reason
316570 – Sauvignon Blanc Oyster Bay Marlborough	\$17.99	\$17.99	—	No change
125617 – California Red Apothic Winemakers Blend	\$14.79	\$14.79	—	No change
313825 – Cabernet Sauvignon J Lohr Seven Oaks	\$20.99	\$20.99	—	No change
100594 – Sauvignon Blanc Kim Crawford Marlborough 2014	\$15.29	\$15.29	—	No change
268714 – Prosecco Frizzante – Villa Teresa Organic	\$15.79	\$15.79	—	No change
448548 – Riesling Gewurztraminer – Hardys Stamp Series	\$9.59	\$9.59	—	No change
309575 – Sauvignon Blanc Matua Hawkes Bay	\$14.99	\$14.99	—	No change
473843 – Malbec Finca Los Primos	\$11.59	\$11.59	—	No change
293043 – Sauvignon Blanc Stoneleigh	\$13.69	\$13.69	—	No change
325787 – Australia Red McGuigan Black Label	\$8.59	\$8.59	—	No change

#### BC Wines

- 22% of the total increases in wine SKUs affect BC wines.
- 7.70% (72 SKUs) increased in price, 82.25% (769 SKUs) stayed the same and 10.05% (94 SKUs) decreased in price. There are a total of 935 BC wine SKUs.
- Of the BC wine SKUs that increased in price:
  - No increases that are less than 1%
  - 5.56% of the increases are between 1% and 5% (4 SKUs)
  - 13.89% of the increases are between 5.01% and 10% (10 SKUs)
  - 80.56% of the increases are more than 10% (58 SKUs)

- Reasons for increases in price:
  - 87.50% (63 SKUs) of the overall increases are due to WPPs that ended in period 3.
  - 12.50% (9 SKUs) are due to increases in supplier-related costs.
- Examples of retail price changes this period for the top ten-selling BC wine SKUs in BC Liquor Stores:

SKU/Product Name	Last period's retail price	This period's retail price	Difference	Reason
201343 – JACKSON TRIGGS PROPRIETOR'S SELECTION MERLOT	\$31.29	\$34.99	\$3.70	WPP ending
361105 – PELLER ESTATES - PROPRIETORS RESERVE PINOT GRIGIO	\$29.49	\$29.49	—	No change
201434 – JACKSON TRIGGS PROPRIETOR'S SELECTION CABERNET SAUVIGNON	\$31.29	\$31.29	—	No change
198267 – COPPER MOON - MALBEC	\$26.99	\$26.99	—	No change
891416 – COPPER MOON - SHIRAZ	\$26.99	\$26.99	—	No change
106179 – DOMAINE D'OR WHITE	\$25.99	\$25.99	—	No change
201384 – JACKSON TRIGGS PROPRIETOR'S SELECTION SAUVIGNON BLANC	\$34.99	\$34.99	—	No change
201368 – JACKSON TRIGGS PROPRIETOR'S SELECTION SHIRAZ	\$34.79	\$34.79	—	No change
163683 – COPPER MOON - PINOT GRIGIO	\$26.99	\$26.99	—	No change
201376 – JACKSON TRIGGS PROPRIETOR'S SELECTION PINOT GRIGIO	\$34.79	\$34.79	—	No change

- Sales for BC wines, compared to last period, have increased.
- Sales for BC wines, compared to this same period last year, have increased.

#### Beer

- 6.7% (88 SKUs) increased in price, 86.6% (1,138 SKUs) stayed the same and 6.7% (88 SKUs) decreased in price. There are a total of 1,314 beer SKUs.
- Of the beer SKUs that increased in price:
  - 1.1% of the increases are less than 1% (1 SKU)

- 21.6% of the increases are between 1% and 5% (19 SKUs)
- 26.1% of the increases are between 5.01% and 10% (23 SKUs)
- 51.1% of the increases are more than 10% (45 SKUs)
- o Reasons for increases in price:
  - 52.3% (46 SKUs) of the overall increases are due to WPPs that ended in period 3.
  - 18.2% (16 SKUs) of the overall increases are due to increases in supplier-related costs.
  - 20.5% (18 SKUs) of the overall increases are due to the application of margin rules.
  - 9% (8 SKUs) of the overall increases are due to the application of price ending rules.
- o Examples of retail price changes this period for the top ten-selling beer SKUs in BC Liquor Stores:

SKU/Product Name	Last period's retail price	This period's retail price	Difference	Reason
906354 – LABATT - BUDWEISER CAN	\$31.79	\$31.79	—	No change
925222 – LABATT - BUDWEISER CAN	\$19.99	\$19.99	—	No change
919373 – COLUMBIA - KOKANEE CAN	\$31.79	\$31.79	—	No change
905844 – MOLSON - CANADIAN CAN	\$31.79	\$29.79	(\$2.00)	WPP starting
606285 – STROH CANADA - OLD MILWAUKEE CAN	\$18.29	\$18.29	—	No change
515643 – CORONA EXTRA	\$22.49	\$20.99	(\$2.00)	WPP starting
945543 – COLUMBIA - KOKANEE CAN	\$19.99	\$19.99	—	No change
923318 – MOLSON - CANADIAN CAN	\$19.99	\$19.99	—	No change
904334 – LABATT - BUDWEISER CAN	\$8.49	\$8.49	—	No change
906354 – LABATT - BUDWEISER CAN	\$31.79	\$31.79	—	No change

#### BC Craft Beer

- o 21% of the total increases in beer SKUs affect BC craft beer.
- o 5.8% (24 SKUs) increased in price, 88.7% (369 SKUs) stayed the same and 5.5% (23 SKUs) decreased in price. There are a total of 416 BC craft beer SKUs.
- o Of the BC craft beer SKUs that increased in price:
  - No increases that are less than 1%

- 12.5% of the increases are between 1% and 5% (3 SKUs)
- 37.5% of the increases are between 5.01% and 10% (9 SKUs)
- 50% of the increases are more than 10% (12 SKUs)
- o Reasons for increases in price:
  - 67% (16 SKUs) of the overall increases are due to WPPs that ended in period 3.
  - 8% (2 SKUs) of the overall increases are due to increases in supplier-related costs.
  - 21% (5 SKUs) of the overall increases are due to the application of margin rules.
  - 4% (1 SKU) of the overall increases are due to the application of price ending rules.
- o Examples of retail price changes this period for the top ten-selling BC craft beer SKUs in BC Liquor Stores:

SKU/Product Name	Last period's retail price	This period's retail price	Difference	Reason
361527 – PACIFIC WESTERN - CARIBOO GENUINE DRAFT CAN	\$13.89	\$13.89	—	No change
110205 – PACIFIC WESTERN - CARIBOO GENUINE DRAFT CAN	\$22.69	\$22.69	—	No change
63149 – PACIFIC WESTERN - CARIBOO GENUINE DRAFT CAN	\$6.99	\$6.99	—	No change
188342 – PACIFIC WESTERN - PACIFIC PILSNER CAN	\$27.69	\$27.69	—	No change
542233 – HELL'S GATE - LAGER CAN	\$17.29	\$17.29	—	No change
729665 – PACIFIC WESTERN - PACIFIC PILSNER CAN	\$17.39	\$17.39	—	No change
456517 – CENTRAL CITY - RED RACER INDIA PALE ALE CAN	\$11.49	\$10.49	(\$1.00)	WPP starting
751081 – PHILLIPS - BLUE BUCK ALE	\$10.99	\$10.99	—	No change
844399 – DRIFTWOOD - FAT TUG IPA	\$5.39	\$5.39	—	No change
399717 – PHILLIPS - BLUE BUCK ALE CAN	\$10.29	\$10.29	—	No change
361527 – PACIFIC WESTERN - CARIBOO GENUINE DRAFT CAN	\$13.89	\$13.89	—	No change

SKU/Product Name	Last period's retail price	This period's retail price	Difference	Reason
110205 – PACIFIC WESTERN - CARIBOO GENUINE DRAFT CAN	\$22.69	\$22.69	—	No change

- Sales for BC craft beer, compared to last period, have increased.
- Sales for BC craft beer, compared to this same period last year, have increased.

### Spirits

- 7.12% (194 SKUs) increased in price, 88.73% (2,417 SKUs) stayed the same and 4.15% (113 SKUs) decreased in price. There are a total of 2,724 spirit SKUs.
- Of the spirit SKUs that increased in price:
  - 30.93% of the increases are less than 1% (60 SKUs)
  - 19.59% of the increases are between 1% and 5% (38 SKUs)
  - 35.57% of the increases are between 5.01% and 10% (69 SKUs)
  - 13.92% of the increases are more than 10% (27 SKUs)
- Reasons for increases in price:
  - 49.48% (96 SKUs) of the overall increases are due to WPPs that ended in period 3.
  - 21.65% (42 SKUs) of the overall increases are due to increases in supplier-related costs.
  - 9.28% (18 SKUs) of the overall increases are due to the application of margin rules.
  - 19.59% (38 SKUs) of the overall increases are due to the application of price ending rules.
- Examples of retail price changes this period for the top ten-selling spirit SKUs in BC Liquor Stores:

SKU/Product Name	Last period's retail price	This period's retail price	Difference	Reason
38505 – Smirnoff Red	\$47.59	\$47.59	—	No change
313908 – Smirnoff – Red Label Pet	\$21.99	\$21.99	—	No change
45898 – Bacardi – Superior White	\$48.49	\$48.49	—	No change
236323 – Absolut	\$33.79	\$33.79	—	No change

SKU/Product Name	Last period's retail price	This period's retail price	Difference	Reason
2691 – Tanqueray – London Dry	\$23.49	\$23.49	—	No change
67 – Smirnoff – Red Label	\$21.99	\$21.99	—	No change
10108 – Crown Royal	\$32.79	\$32.79	—	No change
114694 – Crown Royal	\$54.49	\$54.49	—	No change
205617 – Stolichnaya – Premium	\$33.79	\$33.79	—	No change
33928 – Wisers – Deluxe	\$50.49	\$50.49	—	No change

### Refreshments

- 15.2% (49 SKUs) increased in price, 70.2% (226 SKUs) stayed the same (226 SKUs) and 14.6% (47 SKUs) decreased in price. There are a total of 322 refreshment SKUs.
- Of the refreshment SKUs that increased in price:
  - 2% of the increases are less than 1% (1 SKU)
  - 51% of the increases are between 1% and 5% (25 SKUs)
  - 2% of the increases are between 5.01% and 10% (1 SKUs)
  - 45% of the increases are more than 10% (22 SKUs)
- Reasons for increases in price:
  - 43% (21 SKUs) of the overall increases are due to WPPs that ended in period 3.
  - 4% (2 SKUs) of the overall increases are due to increases in supplier-related costs.
  - 10% (5 SKUs) of the overall increases are due to the application of margin rules.
  - 43% (21 SKUs) of the overall increases are due to the application of price ending rules.
- Examples of retail price changes this period for the top ten-selling refreshment SKUs in BC Liquor Stores:

SKU/Product Name	Last period's retail price	This period's retail price	Difference	Reason
217133 – TWISTED TEA HARD ICED TEA CAN	\$22.79	\$20.79	(\$2.00)	WPP starting
210906 – TWISTED TEA HALF & HALF CAN	\$22.39	\$20.39	(\$2.00)	WPP starting

SKU/Product Name	Last period's retail price	This period's retail price	Difference	Reason
622282 – BULMER - STRONGBOW TALL CAN	\$10.89	\$10.99	\$0.10	WPP ending
168773 – LONETREE CIDER CAN	\$9.59	\$8.59	(\$1.00)	WPP starting
843052 – PALM BAY RUBY GRAPEFRUIT SUNRISE SPRITZ CAN	\$7.69	\$8.69	\$1.00	WPP ending
106054 – BULMER - STRONGBOW TALL CAN	\$19.19	\$18.19	(\$1.00)	WPP starting
793430 – PALM BAY - TROPICAL ICED TEA MANGO LEMON CAN	\$8.59	\$9.79	\$1.20	WPP ending
777631 – LONETREE GINGER APPLE DRY CIDER	\$8.59	\$9.79	\$1.20	WPP ending
824920 – HEY Y'ALL - HARD ICED TEA CAN	\$10.79	\$9.79	(\$1.00)	WPP starting
668947 – OKANAGAN PREMIUM - BARTLETT PEAR CAN	\$9.29	\$8.29	(\$1.00)	WPP starting
217133 – TWISTED TEA HARD ICED TEA CAN	\$22.79	\$20.79	(\$2.00)	WPP starting

**OTHER MINISTRIES IMPACTED/CONSULTED:**

- N/A

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**MINISTRY OF JUSTICE  
POLICING AND SECURITY BRANCH  
BRIEFING NOTE**

**PURPOSE:** For INFORMATION for Lori Wanamaker, Deputy Solicitor General and Deputy Minister, Justice

**ISSUE:** Closure of the Victoria Youth Custody Centre.

**SUMMARY:**

- The Ministry of Children and Family Development (MCFD) announced the closure of the Victoria Youth Custody Centre (VYCC) on April 28, 2014.
- MCFD did not consult with Victoria area police in advance of their announcement of the closure.
- Victoria area police departments maintain the position that they will not house provincial youth prisoners. As such, MCFD has maintained occupancy of one area of the Youth Custody Centre for temporary housing of provincial youth prisoners pending the identification of an alternative option.
- MCFD continues to explore options for a new operating model for male youth affected by the closure.

**BACKGROUND:**

- On April 28, 2014, MCFD announced the closure of the youth detention centre in Victoria due to the declining number of youth in custody.
- There has been an approximate 65 per cent decline of youth in custody over the last decade in BC. The average youth custody count was 220 in 2003 and the average youth custody count in the last fiscal year was 74. In general, in the past year, BC's three youth custody centres have been operating at an average capacity of 56 per cent.
- The VYCC, which has the capacity to house 60 youth, had an average count of 15 youth in custody through 2013. From January to March 2014, the average count declined to 11.
- The closure of VYCC will assist MCFD to offset a loss of almost \$4.5 million in annual federal funding for youth justice services, however, MCFD has indicated that this is an operational decision and would have been made regardless of the loss of federal funding.
- Once the centre is closed, Greater Victoria youth who would have previously been housed at VYCC will instead be transported to the Burnaby Youth Custody Centre (BYCC) pending their next court appearance (on remand status) or to serve their sentence.

- In the absence of a youth custody centre in the Greater Victoria area, MCFD would be dependent on police to house youth as follows:
  - Pending transport to BYCC following the initial court appearance/tele-bail hearing when the youth has been remanded in custody;
  - Overnight on the night before a scheduled court appearance for remanded male youth (same day travel is currently only available through the Sheriff Services for female youth) or nightly for trials that run over consecutive days; and
  - To serve short sentences (ie. if a youth received a two-day sentence, it would likely not be feasible to transport the youth to BYCC on the day of sentencing only to be returned to the Greater Victoria area by MCFD staff the following day for release).
- The Executive Director of Youth Justice and Forensic Services met with the Assistant Deputy Minister and Director of Police Services on April 17, 2014 to advise of the pending closure. A meeting with the chief constables from the Victoria and Saanich police departments and the RCMP's Island District was held on April 28, 2014; at the same time that the closure was being announced publicly.
- A number of issues have been raised regarding housing youth in police cells. These include the inability to keep youths separate and apart from adults, the lack of shower facilities, inability to provide nutritional meals, the absence of any programs and services for the youths, the potential liability for police and the associated costs.
- s.14
- 
- Despite police practice in remote areas across the province, the police (RCMP) are not legally required to hold these youth. Police that do house provincial prisoners are compensated in accordance with the Keep of Prisoner's Agreement which is administered by the BC Corrections Branch, Ministry of Justice for both youths and adults.
- As Victoria area police departments have taken a position that they will not house "provincial" youth prisoners since the closure of the VYCC MCFD has continued to occupy the Admissions and Discharges area of the custody centre which provides them with two cells for temporary housing pending transport to BYCC.

- On March 25, 2015, MCFD wrote to all Greater Victoria Police agencies advising of the next step in their phased closure. This next phase took effect on April 8, 2015, and reduced their operating hours at the youth custody centre to 1900 – 0700 for overnight holding of youth pending transport to BYCC.
- In this same correspondence MCFD reported that since September 16, 2014, 72% of the days there were zero youths requiring overnight housing and limited new admissions. MCFD has further advised that since September 2014 only 38 youths have required holding and 85% of those have been for less than 24 hours.
- MCFD has not been successful to date in finding an alternative option to house the youth prisoners and advised the intent of the call on June 15, 2015, will be to seek a partnership with the Ministry of Justice to explore additional options for housing both youth and female prisoners in the Greater Victoria area.

**OTHER MINISTRIES IMPACTED/CONSULTED:**

- MCFD

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**MINISTRY OF JUSTICE  
JUSTICE SERVICES BRANCH  
BRIEFING NOTE**

**PURPOSE:** For DECISION by the Honourable Suzanne Anton, Attorney General and Minister of Justice

**ISSUE:** Response to Representative for Children and Youth report released May 14, 2015.

**SUMMARY:**

- The Representative released her latest critical injury report on May 14, 2015. This note provides the relevant details of the report and seeks direction on the response.

**BACKGROUND:**

**The report and recommendations**

- The Representative released her latest critical injury report on May 14, 2015.
- The report, titled *Paige's Story: Abuse, Indifference and A Young Life Discarded*, examines the life and death of a young Aboriginal girl who spent most of her life connected with the Ministry of Children and Family Development (MCFD) before dying of an overdose shortly after her 19<sup>th</sup> birthday in Vancouver's Downtown Eastside.
- The report is very critical of government's lack of response to this young girl's circumstances. The report states:  
In essence, Paige's story is one of how professional indifference to her life circumstances continually left her – and at times even actively placed her – in harm's way. This indifference contributed directly to her untimely death.
- Specifically, the report directs recommendations to the MCFD, the Attorney General, the Ministry of Health, the Ministry of Education, the First Nations Health Authority, and the City of Vancouver.
- The recommendation (Recommendation 3) directed to the Attorney General is that:  
The Attorney General of British Columbia provide the public with a clear explanation as to why agencies and service providers are persistently permitted to fail to report harm and abuse, as was the case in Paige's experience, contrary to the [Child, Family, and Community Service Act (CFCSA)]. [see Appendix A for the relevant provisions in the CFSa]
- The report then details precisely what response the Representative requires which includes: [see Appendix B for the full recommendation and details]
  - annual reporting of the number of investigations and prosecutions for this offence;

- report of the number of cases brought forward by the Director of Child Welfare for attention and investigation;
- individual professional bodies governing those who work with children and youth to begin applying professional sanctions to members who have failed to report instance of abuse or neglect; and
- the Attorney General and the Director of Child Welfare embark on a substantial and meaningful public awareness campaign on the duty to report suspected child abuse.
- This report references a 2014 report, titled *Lost in the Shadows*, which contained a recommendation that the Attorney General “review the reasons for a lack of enforcement of the *CFCS Act* in the province and take steps to promote compliance, if necessary”.
- In the latest report, the Representative states that the 2014 recommendation was not implemented:

In her report *Lost in the Shadows*, the Representative called for the Attorney General to review the reasons for a lack of enforcement of the *CFCS Act* in B.C., and take steps to promote compliance, if necessary. The Representative fails to understand what action was taken at the level of the Attorney General as there has been no direct follow up on this issue since that report was issued on February 6, 2014.
- In response to the 2014 recommendation, on March 6, 2014, the Attorney General wrote to both the College of Physicians and Surgeons of B.C. and the College of Registered Nurses of B.C. to seek advice on the reasons for lack of enforcement of the *CFCS Act*. The colleges replied that they were working with the RCY, MCFD and our ministry to identify and address systemic issues that may contribute to health professionals failing to report a child in need of protection. The Representative was copied on both letters.
- In addition, a meeting was held at the RCY’s offices which engaged MCFD, representatives from the College of Physicians and Surgeons, College of Registered Nurses, and several other Colleges and health care organizations. At that meeting there was broad recognition that there was a common goal to encourage practitioners to report.
- When the ministry spoke with MCFD regarding Paige’s report, staff were informed that the third quarterly report of MCFD had provided details of the work that had been done by a working group as well as work done by the colleges and that MCFD had considered the recommendation implemented. The Representative wrote to MCFD and agreed that the recommendation was implemented. This report and correspondence was internal to MCFD and was specifically directed at MCFD’s role with respect to the recommendation; however, the same steps that MCFD articulated were the steps that the Ministry of Justice took and considered that recommendation implemented.
- When the ministry received the advanced draft of the recommendations in the latest report, the Deputy Attorney General wrote to Bill Naughton of the Representative’s office advising that considerable work has been done on this issue and the latest recommendation does not reflect that reality. The letter requested that the report not

go out until the Ministry of Justice and MCFD had the opportunity to discuss the matter with the office of the RCY. The ministry did not receive a reply.

- In addition to recommendation 3, the report mentions the Ministry of Justice in recommendation 6 which is directed at the Ministry of Aboriginal Affairs and Reconciliation:
  - That the Ministry of Aboriginal Affairs and Reconciliation, with support from MCFD and Justice, prepare a detailed annual report for the Minister's Advisory Council on Aboriginal Women on every unexpected death of an Aboriginal girl or woman in care, or formerly in care, in B.C. and that a review of urban Aboriginal program funding is conducted.
- The Representative has raised the question in the media of why no investigations have been undertaken regarding possible failures to report under the CFCSA. The ministry response has been that police must receive a formal complaint in order to initiate an investigation.
- On May 27, 2015, the Union of British Columbia Indian Chiefs (UBCIC) wrote to the Office of the Chief Constable of the Vancouver Police Department to ask for "an investigation into this matter and to examine every instance where a report was not made, including instances where your officers released Paige into the care of another person and not her proper guardian without notifying MCFD". On May 29, 2015, Chief Constable Adam Palmer replied to UBCIC confirming that E-Division RCMP is the appropriate agency to conduct an investigation given that the allegation involves Vancouver Police Department as well as other multi-jurisdictional and multi-agency aspects. The Chief Constable states that he has consulted with Acting Deputy Commissioner, Dan Malo, of E-Division RCMP and he concurs.

### The response

- In response to the report, the ministry is in contact with MCFD, Policing and Security Branch, Court Services Branch (CSB), and Criminal Justice Branch, while working with GCPE to draft an Information Note.
- For information and background on the issues, the following work has been done in response to the report.
  - As discussed above, the recommendation out of the *Lost in the Shadows* report is considered implemented.
  - With respect to the details of Recommendation 3 that pertain to requests for annual reporting out of statistics, the Criminal Justice Branch advises that:
    - MoJ does have the ability to report on the number of prosecutions for the offence under s. 14 of the CFCSA for failing to make a report when a person believes that a child is in need of protection.
    - JUSTIN data indicates that since 2001, only two such files have been submitted: one in 2001 and one in 2004. In one case the matter was stayed and the other appears to have been concluded by the court without a conviction.
    - Since 2001, there have been no other RCCs with this offence submitted to CJB for charge assessment.

- The need for reporting this data annually is unclear; in most years, there have been no RCCs submitted to, or approved by, CJB; it is unclear how to interpret this and there is risk that it may be erroneously interpreted as failure to enforce s. 14 of the CFCSA.
- CSB has confirmed they have the technical ability to report, however if CSB was to prepare reports at a court record level to be provided to other agencies then approval by the judiciary would be required as per judicial access policy. Summary statistics, however, may not require judiciary approval prior to release.
- With respect to reporting on the activities of the Director of Child Welfare, the Criminal Justice Branch does not have the ability, nor the statutory mandate, to review "cases brought forward...for attention and investigation". Crown Counsel do not investigate offences. It is the responsibility of investigative agencies, which function independently from the Prosecution Service, to investigate and to exercise their own discretion in deciding whether to forward a RCC for charge assessment and prosecution.
- This recommendation has been brought to the attention of MCFD and will be examined with the rest of the recommendations. The MCFD representative with whom we spoke is not aware of any cases being referred and is not sure whether or not such tracking is possible.
- The Attorney General does not have any authority or oversight with respect to independent professional governing bodies or their use of sanctions. As was done after the *Lost in the Shadows* report, the Attorney General could write to the College of Physicians and Surgeons and the College of Registered Nurses, as well the College of Social Workers, the Teacher Regulation Branch, and the British Columbia Association of Chiefs of Police to bring the report to their attention.
- The Policing and Security Branch has indicated that police receive instruction on ss. 13 and 14 of the CFCSA in recruit training. If there is a need they are prepared to develop and circulate an information bulletin on the duty to report.
- As the ministry responsible for criminal investigation and prosecution, the Ministry of Justice may not be the most appropriate champion for a public awareness campaign. This recommendation will be considered by MCFD with the rest.
- Attached is a draft letter responding directly to the Representative. The purpose of this note is to seek direction on what approach to take in that response.

**OPTIONS:**

**Option 1 (recommended option)**

s.13

s.13

## Option 2

s.13

### OTHER MINISTRIES CONSULTED:

- MCFD

### DECISION APPROVED / NOT APPROVED

---

Honourable Suzanne Anton, QC  
Attorney General and Minister of Justice

#### Prepared by:

Jodi Roach  
Senior Policy Analyst  
Justice Services Branch  
250 356-8870

#### Approved by:

Nancy Carter  
Executive Director  
Justice Services Branch  
250 356-6182

#### Approved by:



Richard J.M. Fyfe, Q.C.  
Deputy Attorney General

Attachments:

- Appendix A – Sections 13 and 14 of the CFCSA
- Appendix B – Recommendation 3 from *Paige's Story*
- Appendix C – Draft letter responding to recommendations

## Appendix A – Sections 13 and 14 of the CFCSA

### When protection is needed

13 (1) A child needs protection in the following circumstances:

- (a) if the child has been, or is likely to be, physically harmed by the child's parent;
- (b) if the child has been, or is likely to be, sexually abused or exploited by the child's parent;
- (c) if the child has been, or is likely to be, physically harmed, sexually abused or sexually exploited by another person and if the child's parent is unwilling or unable to protect the child;
- (d) if the child has been, or is likely to be, physically harmed because of neglect by the child's parent;
- (e) if the child is emotionally harmed by
  - (i) the parent's conduct, or
  - (ii) living in a situation where there is domestic violence by or towards a person with whom the child resides;
- (f) if the child is deprived of necessary health care;
- (g) if the child's development is likely to be seriously impaired by a treatable condition and the child's parent refuses to provide or consent to treatment;
- (h) if the child's parent is unable or unwilling to care for the child and has not made adequate provision for the child's care;
- (i) if the child is or has been absent from home in circumstances that endanger the child's safety or well-being;
- (j) if the child's parent is dead and adequate provision has not been made for the child's care;
- (k) if the child has been abandoned and adequate provision has not been made for the child's care;
- (l) if the child is in the care of a director or another person by agreement and the child's parent is unwilling or unable to resume care when the agreement is no longer in force.

(1.1) For the purpose of subsection (1) (b) and (c) but without limiting the meaning of "sexually abused" or "sexually exploited", a child has been or is likely to be sexually abused or sexually exploited if the child has been, or is likely to be,

- (a) encouraged or helped to engage in prostitution, or
- (b) coerced or inveigled into engaging in prostitution.

(1.2) For the purpose of subsection (1) (a) and (c) but without limiting the circumstances that may increase the likelihood of physical harm to a child, the likelihood of physical harm to a child increases when the child is living in a situation where there is domestic violence by or towards a person with whom the child resides.

(2) For the purpose of subsection (1) (e), a child is emotionally harmed if the child demonstrates severe

- (a) anxiety,
- (b) depression,
- (c) withdrawal, or
- (d) self-destructive or aggressive behaviour.

**Duty to report need for protection**

14 (1) A person who has reason to believe that a child needs protection under s. 13 must promptly report the matter to a director or a person designated by a director.

(2) Subsection (1) applies even if the information on which the belief is based

(a) is privileged, except as a result of a solicitor-client relationship, or

(b) is confidential and its disclosure is prohibited under another Act.

(3) A person who contravenes subsection (1) commits an offence.

(4) A person who knowingly reports to a director, or a person designated by a director, false information that a child needs protection commits an offence.

(5) No action for damages may be brought against a person for reporting information under this section unless the person knowingly reported false information.

(6) A person who commits an offence under this section is liable to a fine of up to \$10 000 or to imprisonment for up to 6 months, or to both.

(7) The limitation period governing the commencement of a proceeding under the Offence Act does not apply to a proceeding relating to an offence under this section.

## **Appendix B – Recommendation 3 from *Paige's Story* (page 65)**

### **Recommendation 3**

That the Attorney General of British Columbia provide the public with a clear explanation as to why agencies and service providers are persistently permitted to fail to report harm and abuse, as was the case in Paige's experience, contrary to the *CFCS Act*.

#### **Details:**

- The Attorney General to report annually on the number of investigations and prosecutions for this offence, as well as other actions taken to ensure compliance with the legislation.
- The Attorney General to detail the number of cases brought forward by the Director of Child Welfare for attention and investigation.
- Individual professional bodies governing those who work with children and youth – including but not limited to social workers, health care workers, educators and police – to begin applying professional sanctions to members who have failed to report instances of neglect or abuse.
- The Attorney General and Director of Child Welfare to embark on a substantial and meaningful public awareness campaign emphasizing that no person should fail to report suspected child abuse. The campaign should educate the public on what specifically constitutes child abuse and promote an active approach rather than one which allows bystanders and professionals to continue to accept the status quo.

First annual report to be presented to the Representative by September 30, 2015.

Draft public awareness campaign to be presented to the Representative by October 31, 2015.

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**MINISTRY OF JUSTICE  
JUSTICE SERVICES BRANCH  
BRIEFING NOTE**

**PURPOSE:** For DECISION by Suzanne Anton, QC, Minister of Justice and Attorney General

**ISSUE:** Upcoming Appointments to the Legal Services Society (LSS) Board of Directors.

**DECISION REQUIRED/ RECOMMENDATION:**

Recommend to the Board Resourcing Development Office (BRDO) that the Lieutenant Governor in Council (LGinC) appoint<sup>s.13</sup> and Dean Crawford to fill the remaining two vacancies on the LSS Board of Directors.

**SUMMARY:**

- All five of the government's appointments to the LSS Board of Directors will expire between June 22 and September 30, 2015. Three appointments are currently going forward and expected to be considered at the June 3, 2015 cabinet meeting.
- Two additional appointments will be required by August and September respectively. LSS has identified potential candidates to replace current board members who are ineligible for re-appointment; the ministry has also identified two potential candidates for consideration.
- The approach suggested by the ministry applies staggered term lengths to new appointments to avoid a future situation where all five appointments expire within months of each other.

**BACKGROUND:**

- Section 4(1) of the *Legal Services Society Act*<sup>1</sup> (LSSA) creates a Board of Directors consisting of nine members. Five of the nine directors are appointed by the Lieutenant Governor in Council on the recommendation of the Attorney General, and the other four are appointed by the Law Society of British Columbia.
- The current government appointees are:
  - Annita McPhee (term ends June 22, 2015 – eligible for re-appointment)
  - Puneet Sandhar (term ends July 31, 2015 – eligible for re-appointment)
  - Barbara Brink (term ends August 20, 2015 – not eligible for re-appointment)
  - Darrell Wickstrom (term ends August 20, 2015 – not eligible for re-appointment)
  - Sheryl Lee (term ends September 30, 2015 – not eligible for re-appointment)

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<sup>1</sup> SBC 2002 c. 30

- Ms. McPhee and Ms. Sandhar are eligible for reappointment until June 22, 2018 and July 31, 2018, respectively. The LSS Board Chair has recommended<sup>s.13</sup>  
s.13
- Once these appointments are made there will be two remaining vacancies on the LSS Board. New candidates must fill these vacancies as the remaining board members are not eligible for reappointment.
- LSS has put forward the following names for appointment consideration: (Biographies attached as Appendix A)
  - s.13
  - 
  - 
  -
- The ministry has put forward the following names for appointment consideration: (Appendix A)
  - s.13
  -
- The LSSA requires a mix of competencies of which the board must be comprised. Attached as Appendix B is a completed matrix for all proposed candidates.
- Regardless of which candidates are selected for appointment, it is recommended that the upcoming appointments be for two-year terms so that their expiration and, consequently, new appointments will be staggered over the next three years.

## OPTIONS

**Option 1** – Recommend candidates who have scored highest on the attached competency matrix. **(Recommended)**

### Advantages

- Candidates with the highest scores fulfill multiple criteria on the LSS competency matrix.

### Disadvantages

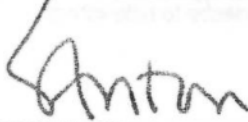
- N/A.

Option 2 – s.13

s.13

## RECOMMENDATION – Option 1

### RECOMMENDED DECISION APPROVED



The Honourable Suzanne Anton QC  
Minister of Justice and Attorney General

Date: 9 June 2015

Prepared by:  
Sarah Mason  
Research Officer  
Justice Services Branch  
250-356-6518

Approved by:  
James Deitch  
Executive Director  
Justice Services Branch  
250-356-2735

#### Attachment:


- Appendix A: Support Material for Proposed Candidates
- Appendix B: Completed Competency Matrix for Identified Candidates

#### Approved by:

Jay Chalke, QC  
Assistant Deputy Minister

Date: 20 May 2015

#### Approved by:

  
Kurt Sandstrom, Q.C.  
A/Deputy Attorney General

Date: MAY 28 2015

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## Appendix B

### Candidates for the Legal Services Society Board of Directors

All five of the ministry's appointments to the LSS Board of Directors will expire between June 22 and September 30, 2015. The following individuals have been identified as potential candidates:

s.22

Section 4(5) of the *Legal Services Society Act* indicates that the board as a whole must have knowledge and skills in the areas of finance, legal operations, legal aid and the legal needs of low-income individuals. The board must also have diverse cultural and geographical representation.

The following competency matrix identifies the competencies required to strengthen the board.

Name of Candidate										
Knowledge of the social and economic circumstances associated with the special legal needs of low income individuals and to the cultural diversity of BC (e.g. work/life experience that has exposed board members to the special needs of low-income individuals and knowledge of how the Aboriginal, cultural and geographic diversity of BC affects delivery of legal aid)		✓		✓	✓			✓	✓	
Organizational Leadership experience and systems thinking expertise (e.g. Work experience as CEO/Senior Manager)			✓	✓	✓	✓	✓	✓	✓	✓

In a complex systems environment)									
Financial expertise (e.g. hold a financial designation preferably with CFO experience)			✓			✓			
Respected member of the legal profession (e.g. recognized as a leader or prominent member of the legal profession)	✓			✓			✓	✓	✓
Knowledge of government decision-making process (e.g. significant work experience with senior government decision-makers)				✓	✓		✓	✓	
Knowledge of justice system operations (e.g. in-depth knowledge of one or more areas of the justice system; exposure to or knowledge of conflict resolution alternative)				✓	✓		✓	✓	✓
Leadership experience in Aboriginal communities (e.g. significant experience in leading an Aboriginal organization or agency)		✓							
Experience with provision of legal aid (e.g. delivery of legal aid services)				✓	✓		✓		

The following chart identifies relevant attributes of each candidate.

Name of Candidate	Particular Attributes Relevant to Vacancy
s.22	Financial expertise and certification (CPA, FCA) Board governance expertise Multi-stakeholder collaborative problem-solving experience From outside the Lower Mainland
	Lawyer An active member of the s.22 and various organizations Financial knowledge
	Member of the s.22 Specializes in Aboriginal engagement including facilitation and negotiation Leadership experience in Aboriginal communities Member of numerous boards and committees
	Lawyer (retired) Knowledge of government decision making processes and the public sector environment Organizational leadership experience Knowledge of and experience with public sector budgeting and financial management and control policies and procedures, including the legal aid budget Knowledge of law and alternative dispute resolution processes Experience as a board member of a not-for-profit society From outside the Lower Mainland
	Organizational leadership experience Knowledge of justice system operations and dispute resolution processes Experience with the provision of legal aid Multi-stakeholder collaborative problem-solving experience Experience designing, implementing and evaluating justice reform initiatives From outside the Lower Mainland
	Financial expertise and certification (FCA) Public sector governance experience An active member of the s.22 Has served as a member on various committees
	Lawyer Organizational leadership experience s.22 s.22 Board governance experience Knowledge of the justice system and government decision making
	Lawyer Organizational leadership experience s.22 s.22 Board governance experience Understanding of the justice system From outside the Lower Mainland
	Lawyer Board governance experience in the private and corporate sector Currently serves as member on several boards of directors

**MINISTRY OF JUSTICE  
JUSTICE SERVICES BRANCH  
BRIEFING NOTE**

**PURPOSE:** For DECISION by Minister of Justice and Attorney General (AG).

**ISSUE:** 2014/15 Legal Services Society (LSS) Annual Service Plan Report (ASPR).

**DECISION REQUIRED/ RECOMMENDATION:**

Under the *Budget Transparency and Accountability Act* and Crown Agencies Resource Office (CARO) Guidelines, the LSS ASPR must be approved by the Attorney General.

Pending any further revisions, the AG is requested to either approve the attached LSS ASPR or direct changes by Friday, **June 12**. The final version with Board Chair and AG signatures is due to CARO by Friday, **June 19** for printing. The ASPR will be publicly released on the same date as Government's Public Accounts, targeting June 26-30.

It is recommended that the attached Board-approved LSS ASPR for 2014/15 be approved.

**SUMMARY:**

- The attached LSS ASPR has been reviewed by ministry and Treasury Board staff (TBS). TBS feedback was considered but approval is not a requirement.
- The ASPR includes all necessary elements set out in the relevant guidelines.
- The ASPR has been approved by the LSS Board of Directors. Some wording in the ASPR reflects ongoing concern about funding levels.

**BACKGROUND:**

- The *Budget Transparency and Accountability Act* requires that ministry and Crown Agency ASPRs be released with Public Accounts. In order to meet publishing deadlines, the ASPR must be approved by the Attorney General no later than June 19, 2015. On that date, ministry staff are to submit the final version signed by the LSS Board Chair and the AG to CARO.
- The main impacts of CARO's new guidelines have been to insert links to the LSS website in place of standard content, such as governance, to shorten the length. Some other content from the prior years' ASPRs has been removed or truncated for the same reason.

- s.13

Cliff: 415293

Date Prepared: June 4, 2015

Date Decision Required: June 12, 2015

- The LSS's audited financial statements are included in the ASPR. Unlike the Annual Service Plan, there is no requirement that TBS approve them, as there is no budget component to them. However, TBS had advised CARO that they would like to review ASPRs from all reporting entities in advance of submission to CARO:

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- ADM approval is provided on the understanding that LSS will revise the top paragraph at p.19 to clarify the revenue changes in 2013/14.

**OTHER MINISTRIES IMPACTED/CONSULTED:**

- TBS and CARO staff in the Ministry of Finance reviewed and provided comments on drafts of the ASPR.

**DECISION APPROVED / NOT APPROVED**

**DATE:**

*Suzanne Anton*

*9 June 2015*

Suzanne Anton, QC  
Attorney General and Minister of Justice

**Prepared by:**  
Kathleen Rawlinson  
Senior Business & Policy Advisor  
Justice Services Branch  
250-356-8083

**Approved by:**  
James Deitch  
Executive Director  
Justice Services Branch  
250-387-2109

Attachment: Board-approved LSS ASPR 2014/15

**Approved by:**

*Richard J. M. Fyfe*  
Richard J. M. Fyfe, Q.C.  
Deputy Attorney General

Date: JUN 08 2015

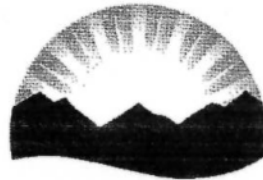
# **Legal Services Society**

## **2014/15 ANNUAL SERVICE PLAN REPORT**



**Legal  
Services  
Society**

British Columbia  
[www.legalaid.bc.ca](http://www.legalaid.bc.ca)



**BRITISH  
COLUMBIA**

**For more information on the Legal Services Society, please contact:**

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400 – 510 Burrard Street  
Vancouver, BC V6C 3A8  
**604-601-6000**  
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## Board Chair's Message and Accountability Statement



The past year demonstrated the society's ability to lead justice reform while continuing to deliver effective and efficient legal aid services to British Columbians with low incomes.

2014/15 saw the successful launch of five pilot projects designed to improve access to justice; the replacement of the society's obsolete client management information system with new technology that will improve operational efficiency; and the initial work on an innovative online tool that will assist people to resolve legal problems on their own. Each of these projects is part of a long-term strategy to address risks identified in previous service plans.

The society also signed a new three-year Memorandum of Understanding with the Ministry of Justice and adopted the Taxpayer Accountability Principles, including the Standards of Conduct Guidelines for the BC Public Sector.

The five pilot projects noted above are funded by the Ministry of Justice, which is providing \$2 million a year for three years. Four of the projects focus on services for children and families. This reflects the board's priorities and its concern that more legal aid family services are needed. Independent evaluation of these projects will determine their ongoing viability and will help the society and the ministry determine whether collaborative projects can be used in the future to develop programs that better address legal aid clients' needs.

LSS assesses its performance by surveying key stakeholders every three years. In 2014/15, we surveyed our clients, and the results reported show that LSS equalled or surpassed prior client survey results.

I would like to thank the society's staff for the many hours they spent on the projects noted in this report in addition to their day-to-day work, and extend my thanks to the Attorney General and her staff for their commitment to legal aid and improving the lives of those in need. I would also like to acknowledge the work of the many private bar lawyers who continue to take legal aid referrals and to assure them that LSS recognizes the need to improve the tariff structure.

### Accountability Statement

The *Legal Services Society's 2014/15 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the 2014/15 – 2016/17 Service Plan. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read 'Tom Christensen'.

Tom Christensen  
Chair, LSS Board of Directors

Legal Services Society

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## **Purpose of the Organization**

The Legal Services Society (LSS) provides legal aid in British Columbia. Created by the Legal Services Society Act in 1979, LSS is a non-profit organization, independent of government (see [www.legalaid.bc.ca/about/ourMandate.php](http://www.legalaid.bc.ca/about/ourMandate.php)). Our priority is to serve the interests of people with low incomes. LSS is funded primarily by the provincial government and receives grants from the Law Foundation and Notary Foundation.

Legal representation services are available for financially eligible people with serious family, child protection, or criminal law problems. Legal representation is also available for people who face a refugee or deportation hearing, a Mental Health Review Panel or BC Review Board hearing, or who have a prison issue for which the Charter of Rights and Freedoms establishes a right to counsel.

We provide legal advice services through: criminal and family duty counsel in and out of courthouses across BC, immigration duty counsel for people in detention at the Canada Border Services Agency's enforcement centre in Vancouver, the Family LawLINE, and the Brydges Line telephone service for people who may be or have been arrested. LSS also provides family advice lawyers at eight locations throughout the province.

Public legal education and information (PLEI) is integral to our services. PLEI includes legal information, triage, community referrals, and assessment of eligibility for representation. Legal information and outreach services are delivered by intake workers, legal information outreach workers (LIOWs), an Aboriginal community legal worker (ACLW), local agents, and community partners. We provide legal education through training workshops, conferences, and webinars. We reach hundreds of intermediaries and advocates each year so that they are better able to help people with low incomes solve their legal issues. The public, intermediaries, and lawyers use our publications and websites. We collaborate with a wide range of community and government agencies to create and distribute our legal information to the people who need it. Our network of regional offices, local agents, and community partners work to ensure access to legal aid and other justice services throughout BC. Our community partner program expanded this year to better serve rural, remote, and Aboriginal communities.

## **Strategic Direction and Context**

### ***Strategic Direction***

As per the 2014/15 Government Letter of Expectations (GLE), LSS has maintained a working group with the Ministry of Justice that meets every three weeks to discuss the budget development cycle, LSS's financial position, strategic service priorities, and the coordination of policy and program development, among other access to justice issues (see [www.legalaid.bc.ca/about/ourMandate.php](http://www.legalaid.bc.ca/about/ourMandate.php)). LSS has demonstrated its commitment to transparency and accountability to the public, and we follow all relevant reporting and disclosure requirements. Our goals and initiatives continue to align with the government's priorities, as well as the strategic goals of the Ministry of Justice.

## Legal Services Society

The government provided LSS with an addendum to the GLE, which relates to the newly developed Taxpayer Accountability Principles (TAP). While still in the early stages of TAP implementation, LSS has already taken many steps to ensure our goals and strategic direction are aligned with TAP.

On November 7, 2014, the LSS board moved to adopt TAP, including the Standards of Conduct Guidelines for the BC Public Sector, and directed the CEO to implement these principles and standards throughout the organization. At the same meeting, the board amended the Board Governance policy to incorporate principles of TAP and Standards of Ethical Conduct.

We have completed a new Standards of Conduct policy and have had all employees and affected contractors review and sign the new policy. LSS has started discussions with the Ministry of Justice on developing a Strategic Engagement Plan and Evaluation Plan, including how our performance measures align with TAP. In 2015/16, we will host educational sessions around the Standards of Conduct policy and TAP for all LSS staff. In 2014/15, LSS also signed a new three-year Memorandum of Understanding (MOU) with the Ministry of Justice.

### *Strategic Context*

In 2014/15, LSS faced similar issues as in the past in dealing with unpredictable demand for legal aid services. We saw a deficit in our criminal legal aid budget due to higher than anticipated costs for those legal aid cases. Conversely, we experienced a surplus in the family legal aid budget, due in part to conservative eligibility measures used to offset the criminal deficit. We also saw changes in revenue in our funding tied to interest rate fluctuations. Unexpected fluctuations further complicate our service planning, even when they result in an increase in revenue. LSS acknowledges the work of the many private bar lawyers who continue to take legal aid referrals, and we recognize the need to improve the tariff structure despite the challenges we face in regard to revenue. Attracting and retaining lawyers throughout BC, particularly in rural and remote communities, continues to be a strategic priority to ensure we meet clients' needs.

LSS outlined three areas of risk in our 2014/15 service plan: justice innovation, financial resources, and delivering quality services. We worked to address justice system complexities and access issues by taking a leadership role in implementing five Justice Innovation Transformation Initiatives (JITI) projects. Launching these projects was our response to some of the inefficiencies or gaps in services that we have identified in the justice system. Pending successful project evaluations, we hope to expand these pilot initiatives with the support of the Ministry of Justice. We have already received positive feedback in the early stages of these projects.

Our second response to legal aid service gaps was the initiation of MyLawBC, a new interactive website. This project also reflects our efforts to pioneer innovative solutions in how we fill those gaps, such as the use of guided pathways on the website.

Implementation of a new Client Information System (CIS) addresses the risks we identified in having an obsolete client management system. It also responds to the issues previously identified in our Tariff Lawyer Satisfaction Survey and introduces business process efficiencies to align with the new Taxpayer Accountability Principles around cost-effectiveness, efficiency, and service delivery. For more details on these three major projects, please see Report on Performance on page 7.

## Legal Services Society

Implementing three large multi-faceted projects concurrently placed significant strain on our internal operating capacity. Staff were expected to both conduct their day-to-day work and meaningfully participate in one or more major projects (JITI, CIS, MyLawBC). While we made operational adjustments, such as the addition of casual or contract staff, this did not eliminate the problem, and many key staff had significant workloads. This approach leads to retention and morale issues, which we will need to manage in 2015/16 due to the continuation of these projects and the limited resources for hiring additional staff. We plan to mitigate this risk by continuing to focus on employee engagement and conducting our regular bi-weekly operational management meetings, where we review capacity resource and project management needs.

### Report on Performance

Between conducting our regular operational work, implementing major organizational projects, and adjusting to new reporting requirements, LSS had a busy 2014/15. This section outlines our performance in these areas. For a detailed explanation of how we performed against the GLE and TAP Addendum, please refer to the Strategic Direction section on page 5.

### Operational Performance

In 2014/15, 989 lawyers took legal aid cases. We received over 38,000 applications for legal representation and were able to refer 70 percent of those applicants to a tariff lawyer. These are similar figures to the prior two years. The breakdown of clients by area of law (criminal, family, CFCSA, and immigration) also remained stable.

#### Applications and Referrals for all Areas of Law — 2014/15

	2014/15		2013/14		2012/13	
Legal Issue	Applications	Referrals	Applications	Referrals	Applications	Referrals
Criminal	25,227	19,852	25,214	19,569	25,662	19,636
Family	8,620	3,442	9,364	3,708	9,451	4,337
CFCSA	3,347	2,549	3,262	2,544	2,836	2,294
Immigration	981	714	865	638	1,186	857
Total	38,175	26,557	38,705	26,459	39,135	27,124

LSS continued its community partner program, which allows us to reach clients through community organizations located in areas that are more difficult to serve. LSS also continued to fund Gladue reports and support First Nations Courts by providing LIOW services, Aboriginal community legal worker services, duty counsel services, and financial support to Aboriginal elders at the courts. We saw an increase in visitors to our LSS and Family Law in BC websites in 2014/15, and launched a new Aboriginal website.

## Legal Services Society

This year, we hosted six workshops (in Prince George, Creston, Fernie, Fort Nelson, Duncan, and Atlin) and three conferences (Provincial Advocates Conference and Provincial Settlement Workers Conference in partnership with the Law Foundation, as well as a provincial training event in partnership with Ending Violence Association) with a total of 782 participants. We designed these workshops and conferences to reach out to intermediaries who pass on the information learned to their clients.

### Legal Aid Services Provided — 2014/15

	2014/15	2013/14	2012/13
Applications for legal representation	38,175	38,705	39,135
Referrals for legal representation	26,557	26,459	27,124
Referral rate	69.6%	68.4%	69.3%
Legal advice interactions <sup>1</sup>	131,934	133,128	135,561
Aboriginal Community Legal Worker interactions	1,247	1,128 <sup>2</sup>	1,051
Legal Information Outreach Worker interactions	8,199	8,216	8,935
PLEI publications distributed	154,450	221,097	199,479
Average LSS website visits/month	33,270	33,160	28,577
Average Family Law in BC website visits/month	86,460	65,648	32,570
Average Aboriginal website visits/month <sup>3</sup>	1,053	—	—
Total intermediaries reached through LSS workshops and conferences	782	846	408
Direct one-to-one client assists by Community Partners <sup>4</sup>	12,139	—	—

<sup>1</sup>Includes circuit counsel, duty counsel, Brydges Line, and Family LawLINE.

<sup>2</sup>This number has been restated from 745 to 1,125 due to a reporting error.

<sup>3</sup>Site launched in July 2014.

<sup>4</sup>This data was not collected prior to 2014/15.

## ***Project Performance***

In 2014/15, LSS made significant progress on advancing major organizational projects along with its regular operational work.

Justice Innovation Transformation Initiatives (JITI) include five projects that pilot innovative criminal, family, and child protection legal aid services. In 2014/15, the Ministry of Justice began providing LSS with \$2 million annually for three years for this purpose. This initiative aligns with LSS goals 1 to 4 and TAP under integrity, service, cost consciousness, and accountability. These new projects provide British Columbians with low incomes with increased access to legal information and advice to help them resolve their legal problems as quickly and efficiently as possible. Four of the projects involve services for children and families. This focus reflects the board's priorities for more family legal aid services. In 2014/15, LSS launched the following JITI projects:

- Enhanced Family LawLINE to provide up to six hours of service with the same lawyer for a single legal issue, where previously people received three hours in total, with no continuity of service from the same lawyer;
- Expanded Family Duty Counsel at the Victoria Justice Access Centre (JAC) to provide people with early legal advice, in addition to supporting a variety of other services at the JAC;
- Meditation referral services to help people resolve family matters concerning property, debt, spousal support, or child-related issues without going to court;
- The Parents Legal Centre, located at the Vancouver Law Courts at Robson Square, to help parents or guardians reach collaborative resolutions to child-protection issues; and
- Expanded Criminal Duty Counsel services at the Port Coquitlam courthouse to help clients achieve early resolution of their criminal law matter by providing continuity of service from the same lawyer until the matter is resolved or a trial is scheduled.

In 2014/15, LSS continued developing our new Client Information System (CIS) set to launch in early 2015/16. CIS will replace our outdated business technology with a more efficient and cost-effective system that will support service delivery over the long term. This priority action aligns with LSS goal 3 and TAP under service and cost-consciousness. While CIS operates behind the scenes of our services, it drives our business processes and generates data to make strategic and operational decisions. In 2014/15, we made large strides towards the finish line of this multi-year project with a large allocation of staff time to achieve our deliverables.

The third major project in 2014/15 was work on MyLawBC, an interactive website that guides users to a resolution of their everyday legal issues. This project supports all of our goals and aligns with TAP under service and cost-consciousness. MyLawBC is an exciting and innovative project that involves an international partnership, as well as local collaborations with public legal education and information (PLEI) providers and key stakeholders. Guided pathways to legal information and resources lie at the heart of MyLawBC. The site also includes a negotiation platform where former partners can work to resolve family law issues through online dialogue and can develop an agreement together. LSS has made progress on developing both features and will continue working on them in 2015/16.

In addition to these three major projects, LSS conducted follow-up to the Workplace Environment Survey (WES) held in 2013/14 by exploring the results in focus groups and by beginning to develop a

## Legal Services Society

WES Action Plan for 2015/16. The goal of the action plan is to strengthen employee engagement, especially in light of the organizational project demands, which have placed a large strain on our internal operating capacity.

We also undertook work on the Child, Family and Community Service Act (CFCSA) Services evaluation, designed to help LSS better understand whether current services are meeting the needs of clients with child protection matters, and to identify opportunities to improve the efficacy of LSS CFCSA services. This project is significant because it is the first time LSS's child protection services have been evaluated in this way. In 2014/15, we collected information from LSS clients and a wide range of key stakeholders through surveys, interviews, and focus groups. The evaluation will conclude in 2015/16 with a final report and recommendations.

Overall satisfaction with legal aid continues to be rated positively by the majority of clients according to our triennial client services survey. Qualifying for a lawyer correlates strongly to clients' overall satisfaction with their legal aid experience; 76% of those who were provided with a lawyer say they are satisfied with the experience, compared to 41% who applied but did not get a lawyer. Similarly, case outcome also impacts how clients feel about LSS. Almost three-quarters (72%) of those whose case was fully resolved or who were found not guilty in a criminal case say they are satisfied with LSS, versus 61% of those whose case was partially resolved and 51% of those clients whose case is unresolved or (if a criminal case) were found guilty. When it comes to the ease of reaching someone at legal aid and filling out the required forms (i.e., accessibility), evaluations from LSS clients are generally positive and reflective of 2011 results. The helpfulness of legal aid services continues to be rated highly by clients, especially by clients receiving representation services.

### ***Goals, Strategies, Measures, and Targets***

LSS has four goals guiding our strategic and operational decisions. We first introduced these goals in 2008/09 after a broad consultation process that involved discussions with the LSS board, staff, and community members on the priorities for legal aid renewal, the future direction of legal aid in BC, and the society's vision, mission, and values. Our goals are client-centred and outcome-focused, as we believe these are the best approaches for delivering high quality, effective, and cost-conscious services in accordance with our mandate. These goals align with the strategic direction of the Ministry of Justice as well as the Taxpayer Accountability Principles (TAP). The table on the following page illustrates this alignment.

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### LSS Goal Alignment

LSS Goal	Ministry Strategic Goal Alignment	TAP Alignment
Goal 1: People with low incomes who have legal issues use LSS services.	Goal 1: The justice and public safety sector in British Columbia is fair; Goal 2: The justice and public safety sector in British Columbia protects people.	Service; Respect; Integrity
Goal 2: People with low incomes get help with related legal issues so they can solve and prevent legal problems.	Goal 1: The justice and public safety sector in British Columbia is fair; Goal 2: The justice and public safety sector in British Columbia protects people.	Service; Respect
Goal 3: LSS manages resources soundly.	Goal 3: The justice and public safety sector in British Columbia is sustainable.	Cost-consciousness; Appropriate Compensation; Integrity; Accountability
Goal 4: LSS provides leadership in justice innovation.	Goal 3: The justice and public safety sector in British Columbia is sustainable. Goal 4: The justice and public safety sector in British Columbia has the public's confidence.	Cost-consciousness; Service

### **Goal 1: People with low incomes who have legal issues use LSS services.**

LSS needs to ensure our services are accessible, address the needs of clients, are culturally appropriate, and that the public is aware that these services are available.

### **Strategies**

- Make it easier for clients to access legal aid services.
- Partner with Aboriginal and other underserved communities to deliver services that support positive client outcomes.
- Support service partners and front-line workers to deliver effective and efficient services.

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### Performance Measure 1.1: Percent of clients satisfied with the accessibility of LSS services

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percent of clients satisfied with the accessibility of LSS services <sup>1</sup>	N/A	N/A	N/A	73%	69%	N/A	N/A

<sup>1</sup> Data is from the triennial Client Services Survey. The 2013/14 survey was postponed to 2014/15 due to financial pressures. The next survey is scheduled for 2017/18.

### Performance Measure 1.2: Percent of clients satisfied with the helpfulness of LSS services

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percent of clients satisfied with the helpfulness of LSS services <sup>1</sup>	N/A	N/A	N/A	66%	68%	N/A	N/A

<sup>1</sup> Data is from the triennial Client Services Survey. The 2013/14 survey was postponed to 2014/15 due to financial pressures. The next survey is scheduled for 2017/18.

### Performance Measure 1.3: Percent of clients satisfied overall with LSS services

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percent of clients satisfied overall with LSS services <sup>1</sup>	N/A	N/A	N/A	66%	66%	N/A	N/A

<sup>1</sup> Data is from the triennial Client Services Survey. The 2013/14 survey was postponed to 2014/15 due to financial pressures. The next survey is scheduled for 2017/18.

Overall, client satisfaction with the accessibility and helpfulness of LSS services and support shows that we are providing clients with the services they need when and where they need them, fulfilling our mandate to help people solve their legal problems and to facilitate access to justice. Targets are set based on a reasonable expectation of improvement over results in baselines or the previous survey.

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### **Goal 2: People with low incomes participate in solving and preventing legal issues.**

Clients who are actively involved in resolving their legal issues tend to find more positive and lasting solutions.

#### **Strategies**

- Support service partners to inform clients about legal aid services and their rights.
- Support front-line workers to inform clients about legal aid services and their rights.

**Performance Measure 2.1:** Percent of clients satisfied with LSS support to help them participate in resolving their legal issues

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percent of clients satisfied with LSS support to help them participate in resolving their legal issues <sup>1</sup>	N/A	N/A	N/A	63%	66%	N/A	N/A

<sup>1</sup> Data is from the triennial Client Services Survey. The 2013/14 survey was postponed to 2014/15 due to financial pressures. The next survey is scheduled for 2017/18.

**Performance Measure 2.2:** Percent of lawyers satisfied with LSS support to increase their ability to engage clients in solving their legal issues

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percent of lawyers satisfied with LSS support to increase their ability to engage clients in solving their legal issues <sup>1</sup>	N/A	44%	N/A	N/A	N/A	46%	N/A

<sup>1</sup> Data is from the triennial Tariff Lawyer Satisfaction Survey. The next survey is scheduled for 2015/16.

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**Goal 3: People with low incomes get help with related legal issues so they can solve and prevent legal problems.**

Clients' legal problems often arise from or lead to other problems such as health, housing, and debt issues. By working with other service providers to help clients get support for these issues, LSS can improve client outcomes as well as reduce clients' use of justice, health, and social services over the long term.

**Strategies**

- Collaborate with service partners to assess and refer clients to services for their related legal issues.
- Support front-line workers to assess and refer clients to services for their related legal issues.

**Performance Measure 3.1:** Percent of clients satisfied with the level of support LSS gave them to address their related legal issues

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percent of clients satisfied with the level of support LSS gave them to address their related legal issues <sup>1</sup>	N/A	N/A	N/A	52%	59%	N/A	N/A

<sup>1</sup> Data is from the triennial Client Services Survey. The 2013/14 survey was postponed to 2014/15 due to financial pressures. The next survey is scheduled for 2017/18.

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**Performance Measure 3.2:** Percent of lawyers satisfied with LSS support for increasing their ability to help clients address related legal issues

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percent of lawyers satisfied with LSS support for increasing their ability to help clients address related legal issue <sup>1</sup>	N/A	33%	N/A	N/A	N/A	35%	N/A

<sup>1</sup> Data is from the triennial Tariff Lawyer Satisfaction Survey. The next survey is scheduled for 2015/16.

**Performance Measure 3.3:** Percent of lawyers who support the integrated approach to providing legal aid service

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percent of lawyers who support the integrated approach to providing legal aid service <sup>1</sup>	N/A	67%	N/A	N/A	N/A	69%	N/A

<sup>1</sup> Data is from the triennial Tariff Lawyer Satisfaction Survey. The next survey is scheduled for 2015/16.

Measures 3.1 and 3.2 assess the effectiveness of the support provided by LSS to clients and lawyers to help clients address their legal issues. Measure 3.3 indicates the level of support from lawyers in advancing this goal. Targets are set based on a reasonable expectation of improvement over results in baselines or the previous survey.

### **Goal 4: LSS manages resources soundly.**

LSS must manage resources effectively and efficiently to ensure we are achieving the optimum benefit for the society's clients within available funding.

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### Strategies

- Foster employee engagement and organizational communication.
- Engage with and develop stronger relationships with legal aid lawyers.
- Improve information technology systems to respond to a changing environment.
- Improve the nimbleness and flexibility of LSS business processes to support capacity.

#### Performance Measure 4.1: Overall average employee engagement

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Overall average employee engagement <sup>1</sup>	67	N/A	69	N/A	N/A	N/A	70

<sup>1</sup> Data is from the triennial Workplace Environment Survey. The next survey is scheduled for 2016/17.

#### Performance Measure 4.2: Percent of lawyers satisfied with the overall support provided by LSS

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percent of lawyers satisfied with the overall support provided by LSS <sup>1</sup>	N/A	60%	N/A	N/A	N/A	62%	N/A

<sup>1</sup> Data is from the triennial Tariff Lawyer Satisfaction Survey. The next survey is scheduled for 2015/16.

#### Performance Measure 4.3: Number of new lawyers taking more than three referrals in the first six months

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Number of new lawyers taking more than three referrals in the first six months <sup>1</sup>	86	64	73	60	53	60	60

<sup>1</sup> Data is from our client information system and financial database.

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### Performance Measure 4.4: Budget-to-actual expenditure variance

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Budget-to-actual expenditure variance <sup>1</sup>	-1.10%	-1.73%	-2.26%	1.5%	-0.95%	1.5%	1.5%

<sup>1</sup> Data is from our client information system and financial database. To determine our budget-to-actual variance, we use the following calculation: Variance = 1 – (actual/budget).

### Performance Measure 4.5: Percent of the public that supports the provision of legal aid services

Performance Measure	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Percent of the public that supports the provision of legal aid services <sup>1</sup>	91%	95%	93%	>90%	94%	>90%	>90%

<sup>1</sup> Data is from our annual Public Opinion Poll.

High employee engagement in the public sector, tracked by measure 4.1, is linked to improved service for clients. Measures 4.2 and 4.3 qualitatively and quantitatively assess our progress on maintaining a sustainable supply of lawyers to provide services to clients across BC. Maintaining a low budget-to-actual expenditure variance, measure 4.4, shows that we are effectively managing expenditures. Sustained public support for legal aid, measure 4.5, reflects public confidence in our services and how well we manage the organization. Targets are set based on a reasonable expectation of improvement over results in baselines or the previous survey.

### **Goal 5: LSS provides leadership in justice innovation.**

LSS believes that innovation is needed to bring about the fundamental justice system changes required for clients to achieve timely and lasting resolutions to their legal issues.

#### **Strategies**

- Promote outcomes-based justice innovation initiatives.
- Pilot evidence-based legal aid initiatives to improve access and outcomes.
- Communicate LSS's strategic direction to stakeholders.

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**Performance Measure 5.1:** Volume of references to LSS and justice innovation in academic literature, stakeholder reports, and media.

Performance Measure	2013/14 Baseline	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target
Volume of references to LSS and justice innovation in academic literature, stakeholder reports, and media. <sup>1</sup>	20	20+	42	20+	20+

<sup>1</sup> Data is from an annual search of academic literature, stakeholder reports, and media. Our methodology included tracking references to LSS in relation to its justice innovation ideas and projects through Google Scholar, Google News, and stakeholder websites. The search is limited to a specific set of search terms and conducted manually.

A high volume of references to LSS's justice innovation proposals in academic literature, stakeholder reports, and the media indicates that LSS's ideas are being reviewed and considered by key justice system decision makers and opinion makers. This reflects the growing reach of LSS's influence. It is the second year that we tracked this measure. In 2014/15, LSS received 42 positive references in the media, journal articles, and stakeholder publications. This is a significant jump from the prior year's 20 references, and we largely attribute this to the news generated from the launch of our five JITI pilot projects in 2014/15. In addition to the JITI-related news, there were also references to our evaluations, Aboriginal services such as Gladue reports, and resources for self-represented litigants. Targets for our measures are generally set based on a reasonable expectation of improvement over results in baselines or the previous survey. For this measure, it is too early to identify a trend or to assess whether this year's increase will be sustained. For those reasons, we used the baseline as the target and will re-assess this target next year.

## Financial Report

The 2014/15 fiscal year was a year of investing for the future and managing to the bottom line. During the year, the society made major investments in the three projects: Client Information System (CIS), Justice Innovation Transformation Initiatives (JITI), and MyLawBC. LSS ended the fiscal year with a deficit of \$118,109 (or equal to 0.15% of the total revenue).

The society continued its work on the CIS project, a replacement for our current case management system (CMS). This computer system is used to accept applications, make referrals to the private bar, manage the cost of the cases, and authorize payments to the private bar. At the end of the 2014/15 fiscal year, the project was in the final test phase, projected to be on budget, and scheduled to be operational in late April 2015.

Included in the operating transfer from the province was a three-year, \$6.0 million commitment to the JITI project. By year's end, LSS had successfully planned, developed, and implemented five JITI projects at a cost of \$2.0 million.

Planning for MyLawBC started during the fiscal year and will continue in 2015/16. The Law Foundation and the society worked together to defer part of the Law Foundation Grant to assure funding for the project will be available in future years.

The following discussion of the society's financial condition for the year ending March 31, 2015, should be read in conjunction with the society's audited financial statements. The financial statements have been prepared in accordance with generally accepted accounting principles for provincial reporting entities established by the Canadian Public Sector Accounting Board. LSS is accountable for how it uses all its funding under the *Budget Transparency and Accountability Act*.

### *Management Discussion and Analysis*

#### *Accumulated surplus*

The operating result for the 2014/15 fiscal year was a \$118,109 deficit. At March 31, 2015, the society's total accumulated surplus was \$5.3 million, of which \$4.3 million was restricted by the board for the CIS project. The balance of \$1.0 million is restricted and not available for other purposes without approval by the board of directors.

#### *Budget allocations*

LSS allocated \$54.6 million or 69.1% of its budget to contracted representation services this year. Salaries and benefits comprised the next largest budget item at \$11.5 million, or 14.5% of the budget. Budget for building leases and amortization amounted to \$2.3 million or 2.9%. The budget for JITI amounted to \$2.0 million or 2.5 %. The budget for all other costs totalled \$8.7 million or 11.0% (see table 7).

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### ***Revenue***

LSS's revenues were \$79.7 million this year. Although the province provided \$2.0 million for the JITI projects in 2014/15, provincial funding decreased by \$1.0 million from 2013/14 because that year LSS faced exceptional case volume pressures in criminal and child protection cases. These pressures led the province to provide additional one-time funding of \$1.0 million plus authorization to LSS to access the accumulated surplus in the amount of \$0.5 million. Interest rates continue to provide variations in income to the society. Funding from the Notary Foundation increased by 58% compared to the prior year, whereas the Law Foundation funding was stable but will decline in 2015/16.

### ***Provincial funding***

The provincial government provides the largest portion of the society's revenue. This funding is subject to a three-year Memorandum of Understanding (MOU) between LSS and the Ministry of Justice. The MOU outlines the anticipated provincially funded services for each year. It also defines how criminal cases are to be categorized and funded.

There are three criminal case categories:

- **Category A:** Fees and disbursements in relation to a case up to and including \$75,000.
- **Category B:** Fees and disbursements greater than \$75,000, up to and including \$175,000, or where it is a court-appointed counsel case or a Charter-required counsel case.
- **Category C:** Fees and disbursements greater than \$175,000 or where the case is one in which the rate payable to counsel exceeds the society's enhanced fee rate.

The MOU sets out priorities for reallocating surpluses to shortfalls among budget categories during the year. The society's obligation to provide services is limited to the funding allocated in the MOU for each specific area.

In addition to MOU funding, the provincial government provided specific funding for all Criminal Category C cases during the fiscal year. The total funding for these cases was \$3.0 million, compared to \$4.7 million in 2013/14.

### ***Federal funding***

The federal government contributes to the province up to \$900,000 each year for immigration tariff expenditures in excess of \$800,000. These funds are transferred from the federal government to the province and then to LSS, and are included as revenue as part of core provincial government funding.

### ***Foundation grants***

Both the Law Foundation and the Notary Foundation provide annual grants to LSS with revenue earned on trust funds held by their members. Since these funds are not included in the MOU, the society can allocate them at its discretion, based on LSS board priorities and service plan goals.

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The Notaries Act requires the Notary Foundation to contribute 55% of their interest revenue to the society. The foundation provided \$768,776 to LSS in 2014/15, an increase of \$281,904 from 2013/14.

The Law Foundation provided the society with a 2014/15 operating grant of \$3.6 million, unchanged from 2013/14, with \$400,000 of this grant deferred for the MyLawBC project. An additional \$135,000 of funding for projects was provided, with \$99,445 of this amount recorded as revenue and the balance recorded as a liability pending completion of the projects.

### *Investments*

The majority of the society's available cash is invested under the LSS board's investment policy, which permits the society to invest in low-risk investments. The total revenue for 2014/15 was \$404,543, compared to \$397,847 in 2013/14.

### *Expenses*

LSS's expenses decreased to \$79.8 million this year, compared to \$80.6 million in 2013/14. Of this, \$56.5 million was for contracted representation, \$11.7 million for salaries and benefits, \$2.1 million for building and amortization, \$2.0 million for JITI, and \$7.5 million for other costs. Tables 1 through 6 summarize the society's expenses for the past four years.

### *Tariff program expenses*

The financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS), and expenses are consolidated and reported as programs. The tariff expenses reported in the financial statements include payments to the private bar, any direct service contracts, and an allocation for both public services (formerly application processing) and tariff administration costs (formerly tariff processing).

Tables 1 through 6 provide details of the costs included in the tariff expenses. Total expenditures for tariff programs were \$66.6 million or 83.5% of total spending in 2014/15, compared to \$70.6 million or 87.6% in 2013/14. The largest change was in the criminal tariff, which decreased \$2.2 million due to a significantly reduced cost for Category C cases and allocations for public services and tariff administration. The family tariff decreased by \$1.5 million due to a reduction in applications and a decrease in referral approval rates. The child protection tariff decreased \$0.4 million due to a lower billing average per case.

The total cost of Criminal Category B cases for the year was \$2.0 million, or \$0.2 million greater than budgeted. This deficit was covered by transferring \$0.2 million from deferred contributions, leaving \$0.4 million in this fund at the end of the year. This amount is available for use in future years.

To determine the costs for tariff and duty counsel, LSS estimates the liability for services provided by the private bar. To arrive at this figure, we use an actuarial model that includes actual costs based on invoices received and estimated costs for work performed on all unbilled referrals made during the fiscal year. The calculation is 90% accurate, 19 times out of 20. The estimated tariff liability at the end of 2014/15 is \$11.1 million. The actuarial model was last reviewed in 2012/13.

## Legal Services Society

### *Salaries and benefits*

Salary and benefit costs are subject to negotiated collective agreements and terms and conditions of employment. These agreements are approved by the society and the provincial government. The current BCGEU agreement expired on March 31, 2015, and is currently being negotiated. The PEA agreement was renegotiated and will expire on September 30, 2019.

### *Risks*

During prior fiscal years, legislative changes were enacted that directly impacted LSS. The changes affected the criminal, family, and immigration tariffs. We may not be able to see and understand the impacts of these changes for up to three years. LSS will continue its practice of monitoring all tariff costs on a monthly basis to determine what fiscal impacts, if any, these legislative changes may have on LSS tariffs.

Increasing case costs and service demands will continue to be a risk that the society must manage. Success in analysis and forecasting tariff costs during the 2013/14 and 2014/15 fiscal years provided the information needed to work with the ministry to secure additional funding and approval to incur a deficit in fiscal 2013/14. The ability to manage demand continued to be critical to meeting budget targets.

The MOU created three categories for criminal cases and set limits on the amount the society can spend on a case before having to obtain special funding agreements. This has the effect of limiting the society's exposure to the ever-expanding costs of large criminal cases.

Long-term funding for immigration and refugee legal aid remains a concern for the society, as immigration volume pressures continue to fluctuate. The federal and provincial funding agreement that expired on March 31, 2012 was renewed for another five years, ending March 31, 2017, with status quo funding of \$1.7 million.

For three of the past four years, the society has restricted capital spending in order to minimize deficits. Currently, after adjusting for CIS, LSS's capital asset book value represents 16.6% of their original cost. This is an indication that a majority of the assets are beyond their estimated useful life. Future maintenance costs are likely to increase if assets are not replaced.

### *Future outlook*

The provincial government has approved the society's 2015/16 budget. The budget included an additional \$2.0 million for JITI projects but did not include any additional funding for the legislative changes noted above.

However, changing volumes of applications in family and child protection and fluctuations in criminal invoicing patterns will create challenges for LSS, and will require us to monitor and report any changes throughout the year.

The trend of lower non-government revenues over the past six years is expected to continue. The amount of cash the society has to invest has declined over the past two years due to deficits and

## Legal Services Society

investment in CIS, the new computer system, and will result in lower investment revenues. The Law Foundation grant for 2015/16 was reduced by 18% or \$645,000.

Deferred contribution of Criminal Category B cases has declined by 67% over the past two years. The society's ability to fund these cases may be limited in the near future if costs continue to be in excess of the annual funding provided by the province.

External factors outside LSS's control, such as legislative and policy changes and government-initiated projects, could pose a financial risk for the society in 2015/16. The LSS/JAG working group reviews and discusses external issues that arise, including possible mitigation strategies for LSS.

Table 1 Criminal services*					
	2012	2013	2014	2015	
				Actual	Budget
Tariff payments to lawyers	\$24,396,385	\$25,470,509	\$26,817,715	\$26,490,313	\$23,845,800
Large cases	8,322,653	8,399,263	4,246,367	2,494,921	2,374,000
Duty counsel	5,751,224	5,790,691	5,966,578	5,999,898	6,031,900
Contracted representation services <sup>1</sup>	1,961,514	1,896,235	1,904,501	1,876,919	1,859,100
Public services	3,603,453	3,718,181	3,618,554	3,596,599	3,648,100
Tariff administration	1,886,183	2,001,160	2,085,283	1,935,780	2,164,100
Total criminal services	\$45,921,412	\$47,276,039	\$44,638,998	\$42,394,430	\$39,923,000

\* 2012 to 2013 figures were adjusted due to the removal of the "Other" line item in the Administration table.

<sup>1</sup> Includes Community Legal Assistance Society, West Coast Prison Justice Society, Downtown Community Court.

Legal Services Society

Table 2 Family services *					
	2012	2013	2014	2015	
				Actual	Budget
Tariff payments to lawyers	\$10,885,862	\$11,476,619	\$10,382,476	\$9,124,646	\$10,426,000
Duty counsel <sup>1</sup>	3,248,341	3,501,466	3,531,770	3,436,539	3,461,500
Public services	1,069,940	1,089,487	1,134,019	1,030,236	1,368,000
Tariff administration	730,504	752,424	714,076	630,827	825,500
Total family services	\$15,934,647	\$16,819,996	\$15,762,341	\$14,222,248	\$16,081,000

\* 2012 to 2013 figures were adjusted due to the removal of the "Other" line item in the Administration table.

<sup>1</sup> Includes Family LawLINE, established November 2010.

Table 3 Child protection (CFCSA) services *					
	2012	2013	2014	2015	
				Actual	Budget
Tariff payments to lawyers	\$6,135,280	\$6,755,412	7,418,229	\$7,029,972	\$7,000,000
Public services	333,547	347,567	434,132	420,688	513,000
Tariff administration	296,541	304,328	357,068	325,403	338,000
Total CFCSA services	\$6,765,368	\$7,407,307	\$8,209,429	\$7,776,063	\$7,851,000

\* 2012 to 2013 figures were adjusted due to the removal of the "Other" line item in the Administration table.

Legal Services Society

Table 4 Immigration services*					
	2012	2013	2014	2015	
				Actual	Budget
Tariff payments to lawyers	\$1,372,918	\$1,141,615	1,302,061	\$1,480,788	\$1,350,000
Duty counsel	144,682	137,025	137,999	142,533	150,000
Public services	518,356	412,230	457,182	479,728	171,000
Tariff administration	71,377	56,727	68,263	75,141	74,000
Total immigration services	\$2,107,333	\$1,747,597	\$1,965,505	\$2,178,190	\$1,745,000

\* 2012 to 2013 figures were adjusted due to the removal of the "Other" line item in the Administration table.

Table 5 Other programs					
	2012	2013	2014	2015	
				Actual	Budget
Justice Innovation Transformation Initiatives (JITI)	—	—	—	\$2,017,682	\$2,000,000
Publishing	\$1,425,538	\$1,521,279	\$1,539,942	\$1,725,753	\$2,042,000
Community engagement and support	798,316	873,834	823,771	1,038,401	1,001,000
Aboriginal Services	516,700	586,470	465,952	578,673	608,000
Total other programs	\$2,740,554	\$2,981,583	\$2,829,665	\$5,360,509	\$5,651,000

Legal Services Society

Table 6 Administration*					
	2012	2013	2014	2015	
				Actual	Budget
Executive Office	\$965,588	\$1,149,881	\$1,053,756	\$1,175,862	\$1,267,220
Strategic Planning, Policy, and Human Resources	1,846,834	1,948,674	1,741,110	1,962,507	2,070,675
IT Services	1,970,098	2,182,246	2,183,639	2,809,804	2,157,536
Finance and Administration	2,537,205	2,427,085	2,173,419	1,952,924	2,344,569
Total administration	\$7,319,725	\$7,707,886	\$7,151,924	\$7,901,097	\$7,840,000

\* 2012 to 2013 figures were adjusted due to the removal of the "Other" line item in the Administration table.

Table 7: Financial Resource Summary Table

\$ millions	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Budget	2014/15 Actual	2014/15 Variance	2013/14 - 14/15 Variance	2015/16 Budget	2016/17 Budget
<b>Operating Revenue</b>											
Contribution from Province	70.2	72.1	75.6	78.4	75.2	74.5	74.2	0.3	(1.0)	74.6	74.7
Other Income & Recoveries	6.0	4.8	5.1	5.1	4.9	4.6	5.5	(0.9)	0.6	4.0	4.0
<b>Total Revenue</b>	<b>76.2</b>	<b>76.9</b>	<b>80.7</b>	<b>83.5</b>	<b>80.1</b>	<b>79.1</b>	<b>79.7</b>	<b>(0.6)</b>	<b>(0.4)</b>	<b>78.6</b>	<b>78.7</b>
<b>Operating Expenses</b>											
Criminal Tariff	42.4	41.9	45.6	46.9	44.6	39.9	42.4	(2.3)	(2.2)	40.3	40.4
Family Tariff	14.7	15.1	15.8	16.7	15.8	16.1	14.2	1.8	(1.6)	14.6	14.6
Child Protection Tariff	5.4	5.8	6.7	7.4	8.2	7.9	7.8	—	(0.4)	8.2	8.2
Immigration Tariff	1.9	3.3	2.1	1.7	2.0	1.8	2.2	(0.4)	0.2	2.1	2.1
Justice Innovation Transformation Initiatives (JITI)	—	—	—	—	—	2.0	2.0	—	2.0	2.0	2.0
Publishing	1.5	1.4	1.4	1.5	1.5	2.0	1.7	0.3	0.2	1.5	1.5
Community Engagement	—	0.5	0.8	0.9	0.8	1.0	1.0	—	0.2	1.0	1.0
LawLine & Community Support	1.7	—	—	—	—	—	—	—	—	—	—
Aboriginal Services	0.5	0.5	0.5	0.6	0.5	0.6	0.6	—	0.1	0.6	0.6
Administration	9.6	7.7	7.2	7.5	6.5	7.2	7.5	(0.3)	1.0	7.4	7.4
Amortization	1.5	0.8	0.7	0.7	0.7	0.6	0.4	0.2	(0.3)	0.9	0.9
<b>Total Expenses</b>	<b>79.2</b>	<b>77.0</b>	<b>80.8</b>	<b>83.9</b>	<b>80.6</b>	<b>79.1</b>	<b>79.8</b>	<b>(0.7)</b>	<b>(0.8)</b>	<b>78.6</b>	<b>78.7</b>
<b>Net Income from Operations</b>	<b>(3.0)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.4)</b>	<b>(0.5)</b>	<b>—</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.4</b>	<b>—</b>	<b>—</b>
<b>Capital Expenditures</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.9</b>	<b>2.8</b>	<b>3.6</b>	<b>2.1</b>	<b>1.4</b>	<b>(0.6)</b>	<b>1.4</b>	<b>0.7</b>
<b>Total Liabilities</b>	<b>18.1</b>	<b>20.0</b>	<b>18.3</b>	<b>18.8</b>	<b>16.5</b>	<b>—</b>	<b>17.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Accumulated surplus/ Retained earnings</b>	<b>6.6</b>	<b>6.5</b>	<b>6.4</b>	<b>6.0</b>	<b>5.5</b>	<b>5.5</b>	<b>5.4</b>	<b>(0.1)</b>	<b>0.5</b>	<b>5.4</b>	<b>5.4</b>

Note 1: The above financial information was prepared based on Canadian Public Sector Accounting Standards, except for the accounting treatment of deferred contributions.

Legal Services Society

## **Financial Statements**

**2014/2015**

### **Legal Services Society management's responsibility for the financial statements**

Management is responsible for the preparation of the society's financial statements. This responsibility includes maintaining the integrity and objectivity of the society's financial records, and presenting the society's financial statements in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

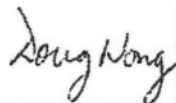
Management maintains a system of internal controls that ensures all material agreements and transactions of the society are properly recorded. The society's financial statements for the year ended March 31, 2015 have been examined by PricewaterhouseCoopers LLP. Their examination was made in accordance with Canadian generally accepted auditing standards, and included obtaining a sufficient understanding of the society's internal controls to plan the audit.

The directors of the society's board are not employees of the society. The board of directors is responsible for determining that management fulfills its responsibilities in the preparation of the financial statements and the control of the society's financial operations. The board of directors meets with staff of PricewaterhouseCoopers LLP to discuss their audit work, the society's internal controls, and the financial statements. The board of directors is responsible for approving the financial statements.



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Mark Benton, QC  
Chief Executive Officer



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Doug Wong, CPA, CA  
Director, Finance and Corporate Services



May 14, 2015

## **Independent Auditor's Report**

**To the Board of the Legal Services Society and to the Minister of Justice and Attorney General, Province of British Columbia**

We have audited the accompanying financial statements of the Legal Services Society, which comprise the statement of financial position as at March 31, 2015 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year ended March 31, 2015 and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*PricewaterhouseCoopers LLP*

*PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7  
T: +1 604 806 7000, F: +1 604 806 7806, [www.pwc.com/ca](http://www.pwc.com/ca)*

\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



**Opinion**

In our opinion, the financial statements which comprise the statement of financial position as at March 31, 2015, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year ended March 31, 2015, and the related notes, are prepared, in all material respects, in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

**Emphasis of matter**

Without modifying our opinion, we draw your attention to note 3 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards. Note 17 to the financial statements discloses the impact of these differences.

*PricewaterhouseCoopers LLP*

Chartered Accountants

Legal Services Society

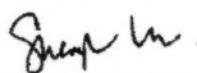
Legal Services Society  
**Statement of financial position**  
as at March 31, 2015

	2015	2014
<b>Financial assets</b>		
Current assets		
Cash (note 16)	\$ 1,434,501	\$ 3,035,056
Investments (notes 4 and 16)	13,927,617	12,974,300
Accounts receivable		
Government of British Columbia	139,984	932,800
Government of Canada	848,806	615,284
Other (note 16)	583,722	520,130
<b>Total financial assets</b>	<b>16,934,630</b>	<b>18,077,570</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities		
General (note 5a)	2,321,459	2,207,831
Tariff (note 5b)	13,567,301	12,829,725
Employee future benefits (note 6b)	259,000	252,000
Deferred contributions (note 7)	443,690	630,553
Long-term liabilities (note 8)	468,400	565,200
<b>Total liabilities</b>	<b>17,059,850</b>	<b>16,485,309</b>
<b>Net financial assets / (liabilities)</b>	<b>(125,220)</b>	<b>1,592,261</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	5,218,796	3,472,119
Prepaid expenses	246,119	393,424
<b>Total non-financial assets</b>	<b>5,464,915</b>	<b>3,865,543</b>
<b>Accumulated surplus (note 9)</b>	<b>\$ 5,339,695</b>	<b>\$ 5,457,804</b>
Contractual obligations (note 12)		
Contingent liabilities (note 15)		

The accompanying notes and supplementary schedule are an integral part of these financial statements.



Tom Christensen  
Chair of the Board of Directors



Sheryl N. Lee, CPA, CA  
Chair of the Finance Committee

Legal Services Society

Legal Services Society  
**Statement of operations and accumulated surplus**  
for the year ended March 31, 2015

	Budget (note 11)	2015	2014
<b>Revenue</b>			
Government of British Columbia (note 13)	\$ 72,526,000	\$ 72,243,711	\$ 75,193,824
Law Foundation	3,600,000	3,299,195	3,718,793
Justice Innovation and Transformation Initiatives (JITI)	2,000,000	2,000,000	—
Department of Justice — Canada (note 19)		774,180	189,789
Notary Foundation	450,000	768,776	486,872
Investment income	400,000	404,543	397,847
Miscellaneous (note 19)	115,000	224,023	70,737
<b>Total revenue</b>	<b>79,091,000</b>	<b>79,714,428</b>	<b>80,057,862</b>
<b>Expenses (note 10)</b>			
Criminal tariff	39,923,000	42,394,430	44,638,998
Family tariff	16,081,000	14,222,248	15,762,341
Child protection tariff	7,851,000	7,776,063	8,209,429
Immigration tariff	1,745,000	2,178,190	1,965,505
Justice Innovation and Transformation Initiatives (JITI)	2,000,000	2,017,682	—
Publishing	2,042,000	1,725,753	1,539,942
Community engagement	1,001,000	1,038,401	823,771
Aboriginal services	608,000	578,673	465,952
Administration	7,840,000	7,901,097	7,151,924
<b>Total expenses</b>	<b>79,091,000</b>	<b>79,832,537</b>	<b>80,557,862</b>
<b>Annual deficit</b>	<b>—</b>	<b>(118,109)</b>	<b>(500,000)</b>
<b>Accumulated surplus at beginning of year</b>	<b>5,457,804</b>	<b>5,457,804</b>	<b>5,957,804</b>
<b>Accumulated surplus at end of year (note 9)</b>	<b>\$ 5,457,804</b>	<b>\$ 5,339,695</b>	<b>\$ 5,457,804</b>

The accompanying notes and supplementary schedule are an integral part of these financial statements.

Legal Services Society

Legal Services Society  
**Statement of changes in net financial assets / liabilities**  
for the year ended March 31, 2015

	Budget (note 11)	2015	2014
Annual deficit	\$ —	\$ (118,109)	\$ (500,000)
Acquisition of tangible capital assets	(3,561,000)	(2,130,077)	(1,795,001)
Amortization	623,912	383,400	607,182
	(2,937,088)	(1,746,677)	(1,187,819)
Acquisition of prepaid expenses	—	(246,119)	(393,424)
Use of prepaid expenses	—	393,424	515,957
	—	147,305	122,533
Decrease in net financial assets	(2,937,088)	(1,717,481)	(1,565,286)
Net financial assets at beginning of year	1,592,261	1,592,261	3,157,547
Net financial assets (liabilities) at end of year	\$ (1,344,827)	\$ (125,220)	\$ 1,592,261

The accompanying notes and supplementary schedule are an integral part of these financial statements.

Legal Services Society

Legal Services Society  
**Statement of cash flows**  
for the year ended March 31, 2015

	2015	2014
<b>Operating transactions</b>		
Cash received		
Transfers from Government of British Columbia	\$ 74,849,664	\$ 74,958,407
Grants received	3,895,997	4,125,795
Interest	404,543	397,847
GST recovered	—	1,413,420
Other	1,106,584	381,005
	<u>80,256,788</u>	<u>81,276,474</u>
Cash paid		
Legal aid tariff	55,785,372	62,554,417
Salaries and benefits	11,651,248	10,930,942
Rent	1,696,795	1,722,199
Services	2,368,919	2,396,501
GST paid	233,522	—
All other	7,038,093	4,113,814
	<u>78,773,949</u>	<u>81,717,873</u>
Cash provided by operations	1,482,839	(441,399)
<b>Capital transactions</b>		
Cash used to acquire tangible capital assets	(2,130,077)	(1,795,001)
<b>Investing transactions</b>		
Investments purchased	(5,000,000)	(5,000,000)
Investments redeemed	4,046,683	7,668,503
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(1,600,555)</b>	<b>432,103</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,035,056</b>	<b>2,602,953</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,434,501</b>	<b>\$ 3,035,056</b>

The accompanying notes and supplementary schedule are an integral part of these financial statements.

Legal Services Society

## **Notes to the Financial Statements**

for the year ended March 31, 2015

### **1. Overview**

The Legal Services Society (the society) was established under the Legal Services Society Act on October 1, 1979 (as revised on May 31, 2007). The society is governed by a board of directors, of which five are appointed by the Province of British Columbia (the province) and four are appointed by the Law Society. The purpose of the society is to:

- assist individuals to resolve their legal problems and facilitate access to justice,
- establish and administer an effective and efficient system for providing legal aid to individuals in British Columbia, and
- provide advice to the Minister of Justice and Attorney General respecting legal aid and access to justice for individuals in British Columbia.

The society is not subject to income taxes.

### **2. Basis of presentation**

These financial statements are prepared by management in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This section requires that financial statements be prepared in accordance with Canadian public sector accounting standards (PSAS), except in regard to government transfers as described in notes 3(a) and 17.

### **3. Significant accounting policies**

#### **(a) Revenue recognition**

Revenues are recognized in the period in which the transactions or events that give rise to the revenues occurred. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Restricted contributions received or receivable are deferred and amortized into revenue as the related expenses are incurred. This approach complies with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. However, this accounting treatment is different from the requirements of the Canadian PSAS, which require that government contributions be recognized as revenue when approved by the transferor and eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability. In this case, the transfer is recognized as revenue over the period that the liability is extinguished. See note 17 for the impact of this policy on the financial statements.

## Legal Services Society

### (b) Expenses

Expenses are reported on an accrual basis. The cost of services incurred during the year is expensed.

### (c) Tariff expenses

Tariff expenses include amounts billed by lawyers to the society and an estimate of services performed by lawyers but not yet billed to the society.

### (d) Employee future benefits

- i. The society's employees belong to the Municipal Pension Plan, which is a multi-employer contributory pension plan. The cost of the defined benefit contributions is recognized as an expense during the year, and is based on the contributions required to be made during each period.
- ii. The cost of non-vesting sick leave benefits is actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates, and discount rates.

### (e) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the asset.

Tangible capital assets are amortized on a straight-line basis as follows:

Assets	Per year
Furniture	10 – 20%
Equipment	20%
Computer equipment	25 – 33%
Computer software	20 – 33%
Case Management System	10%
Leasehold improvements	Lower of lease term and useful life

Tangible capital assets are written down when conditions indicate that they no longer contribute to the society's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. The net writedowns (if any) are accounted for as expenses in the statement of operations.

### (f) Asset retirement obligation

The society recognizes the fair value of a future asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets. The society concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is depreciated over the life of the asset.

## Legal Services Society

The fair value of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a credit-adjusted, risk-free interest rate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized in the statement of operations as an operating expense using the effective interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset that is depreciated over the remaining life of the asset.

### **(g) Prepaid expenses**

Prepaid expenses include memberships, computer software licenses, and deposits. These items are charged to expense over the periods expected to benefit from them.

### **(h) Financial instruments**

The society adopted PS 3450 — Financial Instruments effective April 1, 2012. Other than increased disclosures, the new standard did not materially impact the society's financial statements.

The society's financial instruments consist of investments, accounts receivable, and accounts payable and accrued liabilities. Cash, accounts receivable, and accounts payable and accrued liabilities are measured at cost. Investments, which comprise Guaranteed Investment Certificates, Provincial Bonds, Corporate Bonds, and Structured Bank Notes, are measured at amortized cost. The effective interest method is used to determine income.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A writedown of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

The fair values of the society's cash, accounts receivable, and accounts payable and accrued liabilities generally approximate their carrying amounts due to their short term to maturity. The fair values of the society's investments are disclosed in note 4. The fair value of the society's tariff accounts payable and accrued liabilities is not readily determinable.

### **(i) Measurement uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas where estimates are significant to the financial statements include the tariff liabilities and expenses (note 18). Other areas where estimates are made include the valuation of accounts receivable, amortization of tangible capital assets, asset retirement obligation, non-vested sick leave benefits, and contingent liabilities.

## Legal Services Society

Estimates are based on the best information available at the time of the preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from those estimates.

### 4. Investments

The carrying value of the society's investments is \$13,927,617 (2014 — \$12,974,300). Included in investments is \$147,617 for accrued interest (2014 — \$189,301). Investments have maturities ranging from April 2015 to May 2017 and rates of return ranging from 1.51% to 2.45%.

The investments have a market value at March 31, 2015, of \$13,946,842 (2014 — \$12,966,315). Investments are recorded at amortized cost less any writedowns associated with a loss in value that is other than a temporary decline.

### 5. Accounts payable and accrued liabilities

#### (a) General

	2015	2014
Trade payables	\$ 1,604,815	\$ 1,550,356
Payroll payables	716,644	657,475
<b>Total</b>	<b>\$ 2,321,459</b>	<b>\$ 2,207,831</b>

#### (b) Tariff

	2015	2014
Submittals approved, not paid	\$ 1,510,665	\$ 858,390
Submittals not approved	963,636	1,087,335
Accrual (note 18)	11,093,000	10,884,000
<b>Total</b>	<b>\$ 13,567,301</b>	<b>\$ 12,829,725</b>

The society uses an actuarial model to estimate legal services performed but not yet billed to the society. Management estimated the liability to be approximately \$11,093,000 (2014 — \$10,884,000). This estimate, included in the above table, incorporates average case costs and service billings for similar cases, based on historical experience over a two-year period. Actual costs could differ from this estimate (notes 3(i) and 18).

### 6. Employee future benefits

#### (a) Pension plan

The society and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustees pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension

## Legal Services Society

benefits provided are based on a formula. The plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 146 contributors from the society.

The most recent actuarial valuation as at December 31, 2012, indicated a \$1.370 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets, and cost to individual employers participating in the plan.

The society paid \$821,233 for employer contributions to the plan in fiscal 2015 (2014 — \$722,856).

### (b) Non-vested sick leave

Employees are credited days per year, ranging from six to 10 days, for use as paid absences in the year due to illness or injury. Employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. The use of accumulated sick days for sick-leave compensation ceases on termination of employment. The benefit cost and liabilities related to the plan are included in the financial statements.

	2015	2014
Balance, beginning of year	\$ 252,000	\$ 235,000
Expense	37,000	36,000
Expected benefits paid	(30,000)	(19,000)
Balance, end of year	\$ 259,000	\$ 252,000

## 7. Deferred contributions

	Balance, beginning of year	Restricted contributions	Amortized to operations	Balance, end of year
Government of British Columbia — Category B	\$ 630,553	\$ 1,813,000	\$ 1,999,863	\$ 443,690

The society's Memorandum of Understanding (MOU) with the Minister of Justice and Attorney General of British Columbia provides for restricted funding for exceptional matters commencing with the 2003 fiscal year. Effective April 1, 2014, the MOU was revised to provide clarification on criminal case classification and funding of these cases.

## Legal Services Society

There are now three categories:

- **Category A:** the first \$75,000 of non-court-ordered cases paid at the standard rates. These cases are funded from the base criminal tariff budget.
- **Category B:** all costs greater than \$75,000 and up to \$175,000 of non-court-ordered cases paid at standard rates, and all costs of court-ordered cases up to \$175,000 paid at standard rates. These cases are funded by a restricted contribution, and any surplus in these cases is transferred to deferred contributions. In the case of an annual shortfall in Criminal Category B cases, the society must first apply any eligible base criminal tariff surplus to the shortfall. Any remaining shortfall is then applied to deferred contributions.
- **Category C:** all costs greater than \$175,000, or all costs where the hourly rate paid is greater than the standard rate. These cases are funded through a special funding agreement with the Ministry of Justice.

### 8. Long-term liabilities

#### Asset retirement obligation

Included within long-term liabilities is the society's accrual for its asset retirement obligation for the estimated costs of restoring certain leased facilities to their original condition at the end of the lease terms.

The following is a reconciliation of the changes in the asset retirement obligation during the year:

	2015	2014
Balance, beginning of year	\$ 565,200	\$ 537,000
Decrease in estimate	(119,100)	—
Accretion expense	22,300	28,200
Balance, end of year	\$ 468,400	\$ 565,200

The accretion expense is included in the premises expense. The undiscounted estimated cash flows required to settle the obligations ongoing to 2019 are \$591,000 (2014 — \$784,000). The cash flows are discounted using a credit-adjusted, risk-free rate of 5% (2014 — 5%).

### 9. Accumulated surplus

	2015	2014
Total accumulated surplus at end of year	\$ 5,339,695	\$ 5,457,804
Internally restricted for CIS project	\$ 4,300,000	\$ 4,300,000
Internally restricted for strategic initiatives	1,039,695	1,157,804

The board of directors has authorized the following restrictions on the accumulated surplus:

## Legal Services Society

- In fiscal 2013, the board of directors restricted the entire accumulated surplus to be used for board-directed strategic initiatives and allocated \$4.3 million of those funds for the CIS project (to replace the Case Management System), of which approximately \$4.3 million has been committed to date and \$4.0 million has been paid.
- CIS was installed and went live in April 2015. The accumulated surplus will be drawn down as the cost of the CIS project is amortized over the anticipated useful life of the asset.
- These funds are not available for other purposes without approval by the board of directors.

### 10. Expenses by object

The following is a summary of expenses by object:

	2015 Budget	2015 Actual	2014 Actual
Tariff	\$ 43,996,000	\$ 45,738,974	\$ 49,557,303
Salaries and benefits	11,497,091	11,710,417	10,929,548
Duty counsel	9,643,400	9,817,835	9,468,955
Grants and contracted services	6,447,476	4,726,457	3,504,899
Premises	1,652,555	1,696,795	1,722,199
Local agents	1,742,447	1,664,180	1,675,555
Computers	984,766	1,589,194	1,052,957
Transcripts	1,000,000	966,139	894,636
Office	955,992	882,154	632,113
Miscellaneous	224,644	396,227	250,941
Amortization	623,912	383,400	607,182
Board expenses	199,508	137,779	172,427
Travel	123,209	122,986	89,147
<b>Total</b>	<b>\$ 79,091,000</b>	<b>\$ 79,832,537</b>	<b>\$ 80,557,862</b>

Included in the above 2015 Actual expenditures is \$2,017,682 for the JITI projects.

### 11. Budgeted figures

The operating budgeted figures, presented on a basis consistent with that used for actual results, were approved by the board of directors on March 18, 2014, and submitted to the Ministry of Justice. The ministry approved the budget on April 2, 2014.

## 12. Contractual obligations

The society has the following contractual obligations for long-term leases of its office premises, and other contractual obligations:

Year	2015
2016	\$ 1,050,775
2017	890,053
2018	920,429
2019	961,208
2020	734,013
<b>Total</b>	<b>\$ 4,556,478</b>

At year-end, the liability for future costs of legal services to be performed beyond the fiscal year, for which the society is currently committed, is estimated by management to be approximately \$25.1 million. This estimate uses the same methodology as described in note 5 for tariff payables.

## 13. Related parties

The society is related to the Province of British Columbia and its ministries, agencies, and Crown corporations. In this relationship, the province provided funding in the amount of \$74,243,711 (2014 — \$75,193,824) and the society is responsible for providing legal aid to individuals throughout BC. At year-end, the province owed the society \$139,984 (2014 — \$932,800).

Certain members of the board of directors provide tariff services to the society. These services are provided in the regular course of business under the same terms and conditions as other lawyers. The total amount paid for their services during the year was \$53,239 (2014 — \$66,363). All payments to board members are reviewed by the finance committee on a quarterly basis.

## 14. Economic dependence

In 2015, the society received 93% (2014 — 94%) of its operating revenue from the province, and 4% (2014 — 5%) from the Law Foundation of British Columbia. The society depends on funding from these sources for the continuance of its operations.

## 15. Contingent liabilities

The nature of the society's activities is such that there is usually pending or prospective litigation at any time against the society. With respect to claims at March 31, 2015, management believes the society has valid defences and appropriate insurance coverage in place. Accordingly, no provision has been made in these financial statements for any liability that may result. In the

## Legal Services Society

event that any of these claims are successful, management believes they will not have a material effect on the society's financial position.

### 16. Risk management

#### Credit risk

Credit risk is the risk of loss resulting from failure of an individual or group to honour their financial obligations. The society's accounts receivable are due primarily from government organizations and reputable organizations. The society's cash and investments are held at Canadian chartered banks, and Canadian financial institutions, respectively. The society is not exposed to significant credit risk.

At March 31, 2015, the following accounts receivable were past due but not impaired:

Other accounts receivable	2015	2014
Current	\$ 446,511	\$ 330,415
30 days	478	8,561
60 days	5,005	16,323
90 days	34,563	80,060
Over 120 days	97,165	84,771
<b>Total</b>	<b>\$ 583,722</b>	<b>\$ 520,130</b>

#### Liquidity risk

Liquidity risk is the risk that the society will not be able to meet its financial obligations as they fall due. The society's approach to managing liquidity risk is to ensure that it will have sufficient working capital and cash flow to fund operations and settle liabilities when due.

The maturity of the society's financial assets and liabilities as at March 31, 2015, was as follows:

	On demand	Up to 1 year	1 to 3 years	Total
<b>Financial assets</b>				
Cash	\$ 1,434,501	—	—	\$ 1,434,501
Investments	—	8,010,617	5,917,000	13,927,617
Accounts receivable	—	1,572,512	—	1,572,512
<b>Total financial assets</b>	<b>\$ 1,434,501</b>	<b>\$ 9,583,129</b>	<b>\$ 5,917,000</b>	<b>\$ 16,934,630</b>
<b>Financial liabilities</b>				
Accounts payable and accrued liabilities	—	4,795,760	—	4,795,760
Tariff accrual	—	11,093,000	—	11,093,000
<b>Total financial liabilities</b>	<b>—</b>	<b>\$ 15,888,760</b>	<b>—</b>	<b>\$ 15,888,760</b>

## Legal Services Society

### Market risk

Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

#### (a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The society is not exposed to significant currency risk.

#### (b) Interest rate risk

Interest rate risk is the risk that the society's investments will change in fair value due to future fluctuations in market interest rates. The fair value of the investments, and the income they generate, varies as market interest rates vary. All other financial instruments are non-interest bearing. The society mitigates this risk by monitoring interest rates.

#### (c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The society is not exposed to significant other price risk.

### 17. Impact of accounting for government contributions in accordance with section 23.1 of the Budget Transparency and Accountability Act

As disclosed in note 3(a), section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and its related regulations require the society to recognize restricted contributions into revenue as the related expenses are incurred. As these contributions do not contain stipulations that create a liability for the society, PSAS would require these contributions be recognized as revenue in the period when authorized and all eligibility criteria are met.

The impact of this accounting policy difference on these financial statements is as follows:

Date	Impact	Amount
March 31, 2013	increase in accumulated surplus and decrease in deferred contributions	\$ 1,044,970
Year ended March 31, 2014	increase in annual deficit	\$ (414,417)
March 31, 2014	increase in accumulated surplus and decrease in deferred contributions	\$ 630,553
Year ended March 31, 2015	increase in annual deficit	\$ (186,863)
March 31, 2015	increase in accumulated surplus and decrease in deferred contributions	\$ 443,690

## 18. Measurement uncertainty

Program area		Amount reported	Measurement uncertainty	Range
Tariff accrual ( <i>note 5b</i> )	Min	\$ 11,093,000	\$ (1,109,300)	\$ 9,983,700
	Max	\$ 11,093,000	\$ 1,109,300	\$ 12,202,300
Tariff and transcript expenses ( <i>note 10</i> )	Min	\$ 46,705,113	\$ (1,109,300)	\$ 45,595,813
	Max	\$ 46,705,113	\$ 1,109,300	\$ 47,814,413

Variability in the tariff accrual arises from the rate at which cases proceed and changes in the average cost per case. In management's opinion, the tariff accrual and corresponding tariff expenses could change within a range of +/- 10%.

During the year ended March 31, 2013, the society engaged an independent actuarial firm to review the tariff accrual model. The review concluded that, in the aggregate, the tariff model remains appropriate for determining the amount to be accrued. The next review will be in January 2016 with the results reported in the March 31, 2016 financial statements.

## 19. Corresponding figures

Corresponding figures for miscellaneous revenue on the Statement of operations and accumulated surplus have been reclassified to Department of Justice — Canada to conform to the current year's presentation.

Legal Services Society

## Schedule 1

### Tangible capital assets

#### Cost

	Balance, beginning of year	2015 Additions	2015 Deletions	Balance, end of year
Furniture	\$ 1,107,829	\$ —	—	\$ 1,107,829
Equipment	524,800	965	—	525,765
Computer equipment	956,973	27,415	—	984,388
Computer software	2,137,235	12,917	—	2,150,152
CIS computer system	1,906,835	2,088,780	—	3,995,615
Case Management System	1,126,527	—	—	1,126,527
Leasehold improvements	2,613,401	—	—	2,613,401
<b>Total</b>	<b>\$ 10,373,600</b>	<b>\$ 2,130,077</b>	<b>—</b>	<b>\$ 12,503,677</b>

#### Accumulated amortization

	Balance, beginning of year	Additions	Deletions	Balance, end of year
Furniture	\$ (822,229)	\$ (60,411)	—	\$ (882,640)
Equipment	(506,539)	(6,662)	—	(513,201)
Computer equipment	(823,716)	(83,551)	—	(907,267)
Computer software	(2,002,403)	(42,267)	—	(2,044,670)
CIS computer system	—	—	—	—
Case Management System	(1,126,527)	—	—	(1,126,527)
Leasehold improvements	(1,620,067)	(190,509)	—	(1,810,576)
<b>Total</b>	<b>\$ (6,901,481)</b>	<b>\$ (383,400)</b>	<b>—</b>	<b>\$ (7,284,881)</b>

#### Net book value

	2015	2014
Furniture	\$ 225,189	\$ 285,600
Equipment	12,564	18,261
Computer equipment	77,121	133,257
Computer software	105,482	134,832
CIS computer system	3,995,615	1,906,835
Case Management System	—	—
Leasehold improvements	802,825	993,334
<b>Total</b>	<b>\$ 5,218,796</b>	<b>\$ 3,472,119</b>

## **Appendix A: Additional Information**

### ***Vision, Mission, and Values***

Our vision, mission, and values statements guide our work and reflect our commitment to an integrated legal aid model.

Our vision is a British Columbia where all people are able to find timely and lasting solutions to their legal issues that improve their quality of life.

Our mission is to provide innovative and integrated services that enable clients to effectively address their legal issues in a broad social context.

Our values:

- making a positive difference in our clients' lives through legal aid services
- engaging clients in finding solutions that meet their legal needs
- recognizing diverse cultures and perspectives
- compassion, integrity, and respect in our relationships with clients, staff, and stakeholders
- collaboration with service partners and stakeholders
- innovative approaches to solving problems
- excellence and continuous improvement
- accountability and openness

### ***Corporate Governance***

LSS is governed by a nine-member board of directors. The board is governed by policies and bylaws that reflect established best practices. To learn more about LSS governance, please see [www.legalaid.bc.ca/about/ourGovernance.php](http://www.legalaid.bc.ca/about/ourGovernance.php)

Cliff: 415571

Date Prepared: June 17, 2015

Date Decision Required: June 24, 2015

**MINISTRY OF JUSTICE  
JUSTICE SERVICES BRANCH  
BRIEFING NOTE**

**PURPOSE:** For DECISION by Suzanne Anton, QC, Attorney General and Minister of Justice

**ISSUE:** Cabinet Request for Decision

s.12,s.13,s.14

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s.12;s.14;s.13

Page 91

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s.12;s.14;s.13

Page 92

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s.12;s.14;s.13

**MINISTRY OF JUSTICE  
COURT SERVICES BRANCH  
BRIEFING NOTE**

**PURPOSE:** For INFORMATION for the Honourable Suzanne Anton, QC, Attorney General and Minister of Justice

**ISSUE:** Gender and ethnic diversity of BC's Judicial complement in the Provincial Courts

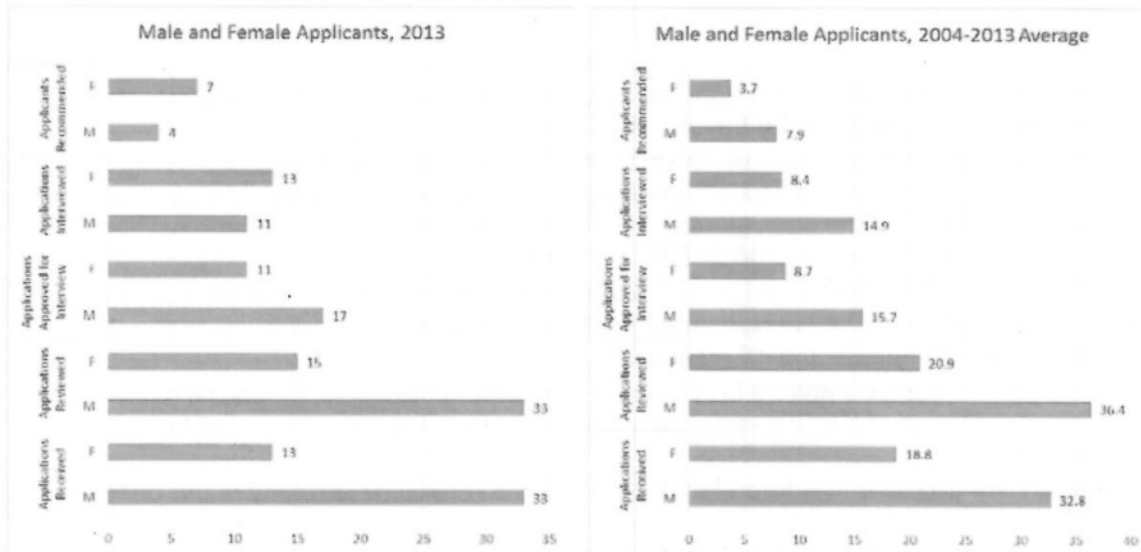
**SUMMARY:**

- Provincial Court Judges are appointed by the Lieutenant Governor in Council from recommendations made by the Judicial Council.
- As of March 2015, there were 107 full-time Judges (including two judges sitting part-time who add up to one full-time equivalent) and approximately 43 Senior Judges, for a total of 123.8 judicial full-time equivalents (JFTEs) in the Provincial Court. Of the full time Judges, 41 or 38% are female and 66 or 62% are male.
- Of the total JFTE, 46.65 JFTE or 37% are female and 78.15 JFTE or 63% are male.
- Judicial Justices (JJs) are appointed under the Provincial Court Act. As of March 31st 2014, there were 16 female and 15 male JJs.
- The Judiciary encourages a broad range of applicants to apply for judicial office at the Provincial Court of BC to ensure a diverse pool of applicants reflective of B.C.'s cultural make-up.
- Whenever possible, it is important that the courts reflect the diversity of the people who live in our province.
- Ethnicity is also not necessarily easily discerned by appearance, name, or other visible factors therefore it is inadvisable for anyone to attempt to assign ethnicity without express confirmation from the subject. As such, Judicial application forms include a voluntary option of identifying an applicant's ethnic or cultural background.
- Individuals of all backgrounds and genders are encouraged to apply to become a judge.

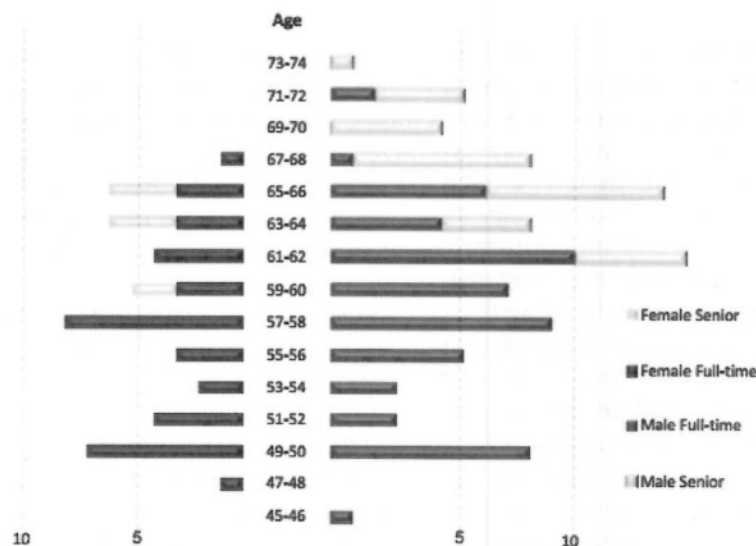
**BACKGROUND:**

- On May 31, 2015, the issue of judicial gender balance was in the media where former federal judge, and B.C. Attorney General Wally Oppal suggests that achieving ethnic and gender equality among judges has proven much more difficult than expected.
- Wally Oppal is also quoted as saying "We haven't gone to hell in a hand cart, but we're not anywhere near where we should be (with the judiciary), maybe there should be some sort of soft affirmative action (for the judiciary too). I do think they could take some kind of progressive approach, a more aggressive progressive approach to this issue. It's a real issue and I can understand the concerns."
- Ontario is the only province besides B.C. publishing gender statistics — between 2006 and 2012 in that province 299 of 636 judicial applicants were women (47 per cent) and 32 of the 72 appointments from that pool were women (44 per cent).
- No Province has reported on diversity.
- With respect to ethnic and cultural diversity, the Court does not specifically track the ethnic and cultural diversity of the Provincial Court Judges which is nevertheless present.
- In 2012 the Chief Judge wrote to the Canadian Bar Association and the Law Society seeking their assistance in encouraging a broad range of applicants for judicial office on the Provincial Court of BC.

- The Judicial Council's overall goal was to strengthen the Court by ensuring that there is a diverse pool of applicants who are reflective of the general population in the Province, from which the Council can recommend candidates for appointment to the Court.
- The Lieutenant Governor in Council appoints Provincial Court Judges on the recommendation of the Judicial Council Members.
- Since January 2012 there have been 31 appointments to the Provincial Court.
- The most recent Annual Report (2013) of the Judicial Council below illustrates the Male and Female Applicants, 2013 and 10-year Average.



- The annual report states that while the number and gender distribution of applicants has remained generally constant, a greater proportion of women applicants has been recommended for appointment in recent years.
- The following chart taken from the BC Provincial Court, Annual Report 2013-14 sets out the age distribution and status of Provincial Court Judges by gender for the 2013-14 fiscal year.



- The annual report states with respect to this table that while male Provincial Court Judges out-number female Judges by a two-to-one ratio, the gender divide is much more even for young, more recently appointed Judges. Furthermore, the older end of the distribution is predominantly occupied by male Judges, many of whom have elected senior [part-time] status.

**OTHER MINISTRIES IMPACTED/CONSULTED:**

- N/A – This information is managed and maintained by the Office of the Chief Judge.

**Prepared by:**  
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Court Services Branch  
250-660-3221


**Approved by:**  
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Dated: June 22, 2015

Approved by:

  
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Dated: June 24, 2015