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Adequate Funding for Courts	CSB 2	TAB C, #2
ALL Legal Aid Service Withdrawal and LSS Tariff Increase	JSB 1	TAB H, #1
Assessment of Criminal and Family Scheduling Timelines	CSB 3	TAB C, #3
Automotive Retailers Association (ARA)	ICBC 5.4.2	TAB G, #5.4.2
<b>B</b>		
Basic Rate Design Changes (RAAP)	ICBC 2.2	TAB G, #2.2
BC Cannabis Industry Requests	LDB 5	TAB K, #5
BC Cannabis Stores	LDB 1	TAB K, #1
BC Cannabis Supply	LDB 2	TAB K, #2
BCLC AML Update	BCLC 1	TAB E, #1
BCUC Rate Application 2019	ICBC 1.3	TAB G, #1.3
Beer Industry Requests	LDB 6	TAB K, #6
Budget, FTEs and Projected Net Income to Government (BCLC)	BCLC 2	TAB E, #2
Budget Pressures and Operating Resources (CSB)	CSB 4	TAB C, #4
Business Technical Advisory Panel Action Plan	LCRB 1	TAB J, #1
<b>C</b>		
Call for Privatization	ICBC 5.1	TAB G, #5.1
Cambie Surgeries Litigation v HMQBC	LSB 1	TAB I, #1
Cannabis Legalization, Regulation and Litigation	LSB 2	TAB I, #2
Capital and Operating Projects (LDB)	LDB 3	TAB K, #3
Capital Levels (ICBC)	ICBC 1.2	TAB G, #1.2
Casino Facility Development	BCLC 3	TAB E, #3

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NAME	NOTE NUMBER	LOCATION
CGL Pipeline Protests	LSB 3	TAB I, #3
Cider and Sake Requests	LDB 7	TAB K, #7
Civil Resolution Tribunal (JSB)	JSB 2	TAB H, #2
Civil Resolution Tribunal (RAAP)	ICBC 2.3	TAB G, #2.3
Commercial Distillers' Requests	LDB 8	TAB K, #8
Compliance and Enforcement (Statistics)	LCRB 2	TAB J, #2
Conduct of Bail Hearings	BCPS 1	TAB B, #1
Cost Recovery	LSB 4	TAB I, #4
Craft Distillers' Requests	LDB 9	TAB K, #9
Crown Proceeding Act – Settlements	LSB 5	TAB I, #5
<b>D</b>		
Dormancy (of Licences)	LCRB 3	TAB J, #3
Draft Principles that Guide the Province of British Columbia's Relationship with Indigenous Peoples	LSB 6	TAB I, #6
Driver Risk Premium and Driver Penalty Points Program Changes	ICBC 4.1	TAB G, #4.1
Duty Free Stores	LDB 4	TAB K, #4
<b>E</b>		
Electoral Reform Referendum	JSB 3	TAB H, #3
Ernst & Young River Rock Cheque Analysis	BCLC 4	TAB E, #4
Executive Compensation (BCLC)	BCLC 5	TAB E, #5
Executive Compensation Disclosure ICBC 2017/18	ICBC 1.5	TAB G, #1.5
<b>F</b>		
Family Justice - Provincial Court Rules Reform	JSB 4	TAB H, #4
Family Maintenance Enforcement Program Delivery Options	JSB 5	TAB H, #5
Financial Update	ICBC 1.1	TAB G, #1.1

## ESTIMATES NOTES – ALPHA LIST

NAME	NOTE NUMBER	LOCATION
FINTRAC Examination (2018)	BCLC 6	TAB E, #6
First Nations Justice Council	JSB 6	TAB H, #6
Fit and Proper Determination (Applicants/Licensees)	LCRB 4	TAB J, #4
<b>G</b>		
German Recommendation – Overall Implementation	AMLS 1	TAB F, #1
German Recommendation – GCA Amendments	AMLS 2	TAB F, #2
German Recommendation #27 – Transition to an Independent Regulator	AMLS 3	TAB F, #3
German Recommendation #37 – Creation of a Dedicated Policing Unit	AMLS 4	TAB F, #4
German Part Two – Review of Real Estate, Luxury Vehicles and Horse Racing Sectors	AMLS 5	TAB F, #5
German Part Two – Luxury Vehicles	AMLS 6	TAB F, #6
German Part Two – Horse Racing	AMLS 7	TAB F, #7
Gladue	JSB 7	TAB H, #7
Greenhouse Gas References	LSB 7	TAB I, #7
<b>H</b>		
Heavy Oil Transport Reference	LSB 8	TAB I, #8
Hospitality Pricing	LDB 10	TAB K, #10
<b>I</b>		
Implementation of UNDRIP, TRC and 10 Principles	X Ministry/Sector 2	TAB A, #2
Indemnity Policy and Practices Overview	LSB 9	TAB I, #9
Independent Review of LDB Distribution Centre	LDB 11	TAB K, #11
Indigenous Claims and Fee Simple Lands	LSB 10	TAB I, #10
Indigenous Justice Centres	JSB 8	TAB H, #8
Indigenous Justice Strategy	JSB 9	TAB H, #9

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NAME	NOTE NUMBER	LOCATION
Indigenous Litigation Cases and Budget	LSB 11	TAB I, #11
Indigenous Nations and Cannabis Non-Medical Retail Licencing	LCRB 5	TAB J, #5
<b>J</b>		
Jordan Delay	BCPS 2	TAB B, #2
Jurisdictional Insurance Comparison	ICBC 3.1	TAB G, #3.1
<b>K</b>		
Kamloops Head Office	BCLC 7	TAB E, #7
<b>L</b>		
LDB Cannabis Operations	LDB 12	TAB K, #12
LDB Head Office Relocation	LDB 13	TAB K, #13
LDB Warehouse Relocation	LDB 14	TAB K, #14
Legal Aid – Parents Legal Centres	JSB 10	TAB H, #10
Legal Aid Reform Response (Maclaren)	JSB 11	TAB H, #11
Li v. HMQBC Class Action	LSB 12	TAB I, #12
Limit to Court Experts	ICBC 5.3	TAB G, #5.3
Liquor Licensing Timelines	LCRB 6	TAB J, #6
Litigation Costs – Indigenous and Other Major Cases	LSB 13	TAB I, #13
Litigation Outside Counsel Retainers	LSB 14	TAB I, #14
<b>M (None)</b>		
<b>N</b>		
Non-Medical Cannabis Licensing Timelines and Process	LCRB 7	TAB J, #7
<b>O</b>		
Office of the Human Rights Commissioner	JSB 12	TAB H, #12

## ESTIMATES NOTES – ALPHA LIST

NAME	NOTE NUMBER	LOCATION
Office of the Superintendent of Professional Governance	JSB 13	TAB H, #13
Opioid Litigation	LSB 15	TAB I, #15
Optional Rate Design	ICBC 3.2	TAB G, #3.2
<b>P</b>		
Plan for Public Health and Gambling	GPEB 1	TAB D, #1
Player Health	BCLC 8	TAB E, #8
Priorities/Mandate Letter Status Update	X Ministry/Sector 1	TAB A, #1
Product Reform (RAAP)	ICBC 2.1	TAB G, #2.1
<b>Q (None)</b>		
<b>R</b>		
Retail Cannabis Edibles, Oils and Extracts (policy)	LCRB 8	TAB J, #8
<b>S</b>		
Service Plan ICBC 2019/20 to 2021/22	ICBC 1.4	TAB G, #1.4
Site C Project (West Moberly & Prophet River)	LSB 16	TAB I, #16
Social Responsibility – Liquor and Cannabis (policy)	LCRB 9	TAB J, #9
Special Prosecutions	BCPS 3	TAB B, #3
Surrey Courthouse Project	CSB 5	TAB C, #5
<b>T</b>		
Transportation Network Services	ICBC 5.2	TAB G, #5.2
Technology and Program Innovation	CSB 6	TAB C, #6
Treaty 8 Boundary Appeal (West Moberly)	LSB 17	TAB I, #17
Trial Lawyers Association of BC (TLABC)	ICBC 5.4.1	TAB G, #5.4.1
Tribunal/Non-Tribunal Appointments	X Ministry/Sector 3	TAB A, #3

## ESTIMATES NOTES – ALPHA LIST

NAME	NOTE NUMBER	LOCATION
<b>U</b>		
UNDRIP, TRC, Federal 10 Principles	LSB 18	TAB I, #18
<b>V</b>		
VIP Room Investigation	GPEB 2	TAB D, #2
<b>W</b>		
Wine in Grocery Trade Compliance	LCRB 10	TAB J, #10
Working with Local Government Process	LCRB 11	TAB J, #11

**2019/20 ESTIMATES NOTE****Priorities/Mandate Letter Status Update****KEY MESSAGES:**

- In July 2017, as the Minister of Attorney General, I was given a formal mandate letter that identifies both government-wide and ministry-specific priorities for implementation. Significant progress has been made on implementing these priorities and many have been substantially completed (see Table 1).
- Since the summer of 2018, the Ministry has been undertaking a strategic planning process to identify and articulate its key priorities areas – informed by the mandate letter, public reports and recommendations, as well as other emerging priorities
- The Ministry's Key Priorities include:
  - Improving access to justice;
  - Court performance and infrastructure;
  - Tribunal transformation;
  - Safe implementation of legalized cannabis;
  - Indigenous Peoples' interaction with the Justice System;
  - Bringing ICBC to sustainability;
  - Supporting innovation and technology in the Justice sector;
  - Modernize and streamline liquor regulation and distribution practices;
  - Addressing money laundering;
  - Gambling regulation transformation;
  - Supporting the implementation of the Human Rights Commissioner;
  - Creating processes, structures, and having the right information to make decisions; and
  - Strengthened supports for our workforce

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- The Ministry is drafting a Strategic Plan that articulates these key priorities and lays out the strategies and key actions, including accountabilities and timelines that will be undertaken over the next three years to achieve our priorities.

### CROSS REFERENCE:

- **PS\_Service and Strategic Plans 1 – AG/PSSG Service Plan Overview**

**Table 1: Progress Status of Mandate Letter Items**

MANDATE LETTER ACCOUNTABILITY	STATUS
Introduce legislation to reform campaign finance laws to ban political contributions by corporations and unions, and set limits on individual contributions.	<b>Completed</b> - Bill 3, Election Amendment Act 2017, was introduced on September 18, 2017 and given Royal Assent on November 30, 2017.
Introduce legislation to hold a province-wide referendum on proportional representation in the fall of 2018.	<b>Completed</b> - Bill 6, Electoral Reform Referendum 2018 Act, was introduced on October 4, 2017 and given Royal Assent on November 30, 2017.
Introduce legislation to reform lobbying in BC.	<b>Completed</b> - Lobbyists Registration Amendment Act, 2017 received Royal Assent on November 30, 2017 and will come into force on May 1/2018.
Re-establish the Human Rights Commission.	<p><b>In progress</b> - Parliamentary Secretary Ravi Kahlon completed a public and stakeholder engagement process and made recommendations about the restoration of a Human Rights Commission in BC.</p> <p>Bill 50: Human Rights Code Amendment Act, 2018 received Royal Assent on November 27, 2018.</p> <p>The Human Rights Commissioner is a new, independent officer of the Legislature responsible for promoting and protecting human rights in British Columbia through education, research and inquiry.</p> <p>Hiring of the commissioner is ongoing. The Legislative Assembly appointed a Special Committee to appoint the commissioner, who issued a call for applications for the position of Human Rights Commissioner on February 1, 2019. The deadline to apply was March 8, 2019.</p>

MANDATE LETTER ACCOUNTABILITY	STATUS
<p>Increase the number of court sheriffs, expand the use of duty counsel and increase staffing of the Court Services Branch to address court delays.</p>	<p><b>In Progress</b> - The Ministry of Attorney General received \$4.7M in new funding for 2018/19 to increase the use of duty counsel through Legal Services Society (LSS).</p> <ul style="list-style-type: none"> <li>• LSS is using this funding to expand two successfully piloted and independently evaluated legal aid services models to more locations throughout BC in the next three years.</li> <li>• These Expanded Criminal Duty Counsel and Extended Family Duty Counsel models have been quantitatively and qualitatively shown to increase efficiencies and improve frontline client service outcomes, especially for self-represented individuals.</li> </ul> <p>The Ministry of Attorney General also received \$5M in 2018/19 to increase the number of sheriffs and staffing of the Court Services Branch, to help reduce court delays. This new funding was used to create three new sheriff recruit training classes in 2018, further supporting a justice system that is properly staffed, resolves disputes in a timely manner and serves the needs of all court users in B.C.</p>
<p>Improve and support legal aid, including First Nations legal services, dispute resolution services for families and expanded poverty law services to increase access to justice.</p>	<p><b>In Progress</b> – Budget 2019 provided \$2M in contingency funding to pilot legal clinics in up to eight communities across the province. In partnership with the Law Foundation, these legal clinics will provide community-based access to justice programming through legal advice.</p> <p>The Ministry is currently reviewing the reforms proposed in the Maclaren review of legal aid service delivery, which was completed in early 2019. This will include assessing each recommendation to analyze and consider the potential social and financial impacts. Careful consideration of the report's findings reflects our interest in developing policy and improving services that make life better for all British Columbians.</p> <p>The Ministry of Attorney General received incremental funding for the 2018/19 fiscal year for a number of family justice projects.</p> <ul style="list-style-type: none"> <li>• \$758,000: early implementation of a new model</li> </ul>

MANDATE LETTER ACCOUNTABILITY	STATUS
	<p>for resolving family disputes in provincial court which will improve and support assessment and dispute resolution for families. Ministry will be working with key stakeholders to develop a test site.</p> <ul style="list-style-type: none"> <li>• \$710,000: increased capacity to complete s.211 parenting and child assessment reports (Family Law Act).</li> </ul> <p>The ministry provided Legal Services Society with \$3.8M in additional funding to expand the Parents' Legal Centre (PLC) to more locations throughout BC over the next three years. The PLC proactively engages with families in child protection matters.</p> <ul style="list-style-type: none"> <li>• This addresses Recommendation 16 in the Grand Chief Ed John's Report of Nov 2016 to increase locations, especially to areas that serve Indigenous communities.</li> <li>• LSS has launched a new location in Surrey and is finalizing consultations with Indigenous communities, Ministry of Children and Family, and other stakeholders.</li> </ul> <p>In addition, in 2018 LSS announced increases in a wide variety of legal aid services from part of the platform commitment funding, notably:</p> <ul style="list-style-type: none"> <li>• Reinstating discretionary family law services that were eliminated in 2016;</li> <li>• Providing legal representation for extended families in child protection cases; and</li> <li>• Creating a new tariff specifically for Indigenous clients.</li> </ul>
<p>Work with First Nations to set targets and take action to reduce the numbers of Aboriginal people involved in the justice system and incarcerated.</p>	<p><b>In Progress</b> – The Ministry of Attorney General is working with Indigenous partners, including the First Nation Justice Council (FNJC) and the Metis Nation BC (MNBC) to develop an Indigenous Justice Strategy to identify and set appropriate targets and actions to reduce the number of Indigenous people involved in the justice system and incarcerated.</p> <p>\$1.4M was granted for 2019/2020 (from contingencies) to support the Indigenous Justice Strategy and the implementation of up to three</p>

MANDATE LETTER ACCOUNTABILITY	STATUS
	<p>Indigenous Justice Centres (IJC), engagement funding for the IJCs as well as capacity funding to support the FNJC and MNBC to support their contributions towards the Justice Strategy development.</p> <p>The IJCs will provide legal information, advice, advocacy and representation to clients, with a primary focus on criminal law and child welfare. The IJCs will also have outreach and support staff to assist clients to address wellness needs holistically and begin the process of tackling the factors that brought them into the justice system.</p> <p>B.C. Budget 2018 provided additional funding to support Gladue reporting, targeting the production of 250 to 300 reports in 2018/19, through the Legal Services Society.</p> <p>The Province and the First Nations Justice Council hosted the Gladue Knowledge-Sharing Gathering in October 2018. National leaders, subject matter experts and practitioners came together to discuss opportunities for innovation, share best practices, and discuss practical Gladue process and principle implementation strategies.</p>
Conduct a comprehensive operating review of ICBC.	<p><b>Completed</b> - In January 2018, the 2012 Internal Audit <u>report</u> from the review of ICBC was publicly released and identified potential savings in addition to those that will result from ICBC product reform. Progress has also been made to bring ICBC to financial sustainability and ensure rates are fair and affordable; introducing legislation that provides for changes to ICBC's insurance product; specific provisions governing compensation for pain and suffering for minor injuries; increasing managed care and enhancing accident benefits; and expanding jurisdiction of the Civil Resolution Tribunal (CRT) over minor vehicle accident claims. ICBC has also been engaging the material damage industry to redesign and optimize its current vendor management programs.</p>

**2019/20 ESTIMATES NOTE****UNDRIP, TRC and Draft 10 Principles****KEY MESSAGES:**

- As with all Minister Mandate Letters, the Ministry of Attorney General has been directed to fully adopt the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Calls to Action of the Truth and Reconciliation Commission (TRC).
- UNDRIP sets the minimum standards for the survival, dignity and wellbeing of Indigenous peoples and reaffirms a rights recognition approach to Crown-Indigenous relations.
- The final report of the TRC made a number of recommendations to address the overrepresentation of Indigenous peoples in the criminal justice and corrections system.
- Modelled after the principles published by the Government of Canada in 2017, the BC Public Service published the *Draft 10 Principles that Guide the Province of British Columbia's Relationship with Indigenous Peoples* in May 2018.
- The Draft 10 Principles provide a framework for the Ministry of Attorney General to achieve a renewed government-to-government relationship with Indigenous peoples and advance a coordinated approach to the implementation of UNDRIP and TRC.

- s.13

- s.13

the Ministry of Attorney

General and the Ministry of Public Safety and Solicitor General are currently developing a multi-year implementation strategy that will support the justice

and public safety sector to incorporate the Draft 10 Principles into its policies, programs and operational practices.

- s.13; s.16

**FINANCES:**

- No budget allocated for this.

s.13

***Justice Services Branch  
Crown Agencies and Key Stakeholders/Partners  
[Non-Tribunals]***

Crown Agencies and Key Stakeholders	# of Govt Appointees	Total # of Appointees	Names of Govt Appointees	Term		Type of Appt (MO/OIC)
CABRO APPOINTMENTS				Appointed	Expiry	
<b>BC Ferry Commission</b> The LGIC must appoint one BC Ferries Commissioner and not more than two Deputy Commissioners.	All	1	Sheldon T. Stoilen, Commissioner	May 1, 2018	March 1, 2024	OIC
			Deputy Commissioner	Vacant		OIC
<b>BC Law Institute</b>  The board consists of 16 members. Two of those members are appointed by the AG.	2	16	Matthew Good	Canadian Bar Association Appointee		
			Jan Christiansen	Law Society of BC Appointee		
			Emily Clough	March 12, 2018	March 12, 2020	MO
			Tejas Bahaar Viridi Madhur	November 1, 2018	November 1, 2020	MO
			Prof. Janis Sarra	Dean of UBC Peter Allard School of Law Appointee		
			Oliver Fleck	Canadian Bar Association Appointee		
			Prof. Robert G. Howell	Dean of the University of Victoria Faculty of Appointee		
			Lisa A. Peters, Q.C. (Chair)	Member at Large		
			Hon. Kenneth C. MacKenzie, Q.C.	Member at Large		
			Margaret Mason	Law Society of BC Appointee		
			Susan Mercer	Society of Notaries Public for BC Appointee		
			Brent Olthius	Member at Large		
			Dr. Tesh W. Dagne	Dean of the Thompson Rivers University Faculty of Law Appointee		
			Thomas Spraggs	Member at Large		

Crown Agencies and Key Stakeholders	# of Govt Appointees	Total # of Appointees	Names of Govt Appointees	Term		Type of Appt (MO/OIC)
CABRO APPOINTMENTS				Appointed	Expiry	
			Dylan Mazur	Member at Large		
			Andrea L. Rolls	Member at Large		
<b>BC Lottery Corporation</b>  The board consists of up to nine directors appointed by the LGIC.	All	9	Joan Annette Axford	October 19, 2018	October 31, 2021	OIC
			Hilary Anne Cassidy	October 19, 2018	October 31, 2019	OIC
			Fiona Chan	December 31, 2018	October 31, 2019	OIC
			Lisa Diane Ethans	October 19, 2018	October 31, 2019	OIC
			Peter Kappel (Chair)	May 31, 2018	May 31, 2019	OIC
			Teresa (Dusty) Kelly	December 31, 2018	October 31, 2020	OIC
			Mario Guerrero Lee	October 19, 2018	October 31, 2021	OIC
			Gregory Moore	November 30, 2018	October 31, 2021	OIC
			Coro Terese Strandberg	October 19, 2018	October 31, 2020	OIC
<b>Insurance Corporation of British Columbia</b>  The Board consists of at least three directors appointed by the LGIC. The LGIC must also designate a director as the Chair of the Board.	All	8	Douglas Edmund Allen	August 24, 2017	July 31, 2020	OIC
			Jeremy Bell	August 24, 2017	July 31, 2020	OIC
			Joy MacPhail (Chair)	July 19, 2017	July 18, 2022	OIC
			Catherine McLay	July 19, 2017	July 18, 2020	OIC
			Bonnie Pearson	August 24, 2017	July 31, 2020	OIC
			Rajvinder Singh Khatar	December 31, 2018	December 31, 2020	OIC
			Janet Wood	April 16, 2018	April 16, 2019	OIC
			Jill Diane Leversage	October 5, 2018	July 31, 2021	OIC
			Jennie Polyxeni Moushos	October 5, 2018	July 31, 2021	OIC
			Vacant			



Crown Agencies and Key Stakeholders	# of Govt Appointees	Total # of Appointees	Names of Govt Appointees	Term		Type of Appt (MO/OIC)
CABRO APPOINTMENTS				Appointed	Expiry	
<b>Judicial Council of the Provincial Court of BC</b> The board consists of up to nine members. No more than 4 people can be appointed by the LGIC for a term no longer than 3 years.	4	9	Melissa Gillespie (Chair – presiding member)	October 19, 2018	October 19, 2025	OIC
			Patrick Kelly	December 31, 2016	December 31, 2019	OIC
			Alan Osamu Kazuta	November 15, 2018	November 15, 2020	OIC
			Miriam Kresivo, Q.C. (non-CABRO)	Nominated January 1, 2018	December 31, 2018	n/a
			Gordon MacRae	December 31, 2017	December 31, 2020	OIC
			Mayland McKimm (non-CABRO)	Nominated January 1, 2018	December 31, 2018	n/a
			Patricia Schwartz	December 12, 2018	December 31, 2020	OIC
			H. William Veenstra (non-CABRO)	Nominated January 1, 2018	December 31, 2018	n/a
			Susan Wishart, Alternate Presiding Member	July 1, 2018	May 15, 2021	OIC
<b>Law Foundation of BC</b> The board consists of 12 Law Society appointees (non-CABRO), two CBA appointees (non-CABRO) and three lay members appointed by the LGIC.	3	17	Kurt Sandstrom, Q.C. (AG's designate)	June, 2016	No expiry	n/a
			John Greschner	June 22, 2018	June 22, 2021	MO
			Felicia Ciolfitto	June 22, 2018	June 22, 2021	MO
			Maureen Buchan (aka Maureen Grant)	June 22, 2018	June 22, 2021	MO
<b>Law Society of BC</b> The board consists of 25 benchers elected on a regional basis from the	6	25	Anita Dalakoti	April 16, 2018	January 1, 2020	OIC
			Qi Yan	April 16, 2018	January 1, 2020	OIC
			Roland Kruger	April 16, 2018	January 1, 2020	OIC

Crown Agencies and Key Stakeholders	# of Govt Appointees	Total # of Appointees	Names of Govt Appointees	Term		Type of Appt (MO/OIC)
CABRO APPOINTMENTS				Appointed	Expiry	
membership of the Society (non-BRDO) and up to six lay benchers appointed by theLGIC. The AG is an ex officio bencher.			Claire Marshall	April 16, 2018	January 1, 2020	OIC
			John (Mark) Rushton	January 1, 2018	January 1, 2020	OIC
			Carolynn M. Ryan	January 1, 2018	January 1, 2020	OIC
<b>Legal Services Society</b>  The Board consists of nine directors. Five directors are to be appointed by the Lieutenant Governor in Council, on the recommendation of the AG. Four directors are to be appointed by the law society after consultation with the executive of the British Columbia branch of the Canadian Bar Association (non-BRDO).	5	9	Jean Whittow, QC	Appointed by the Law Society		
			Dinyar Marzban, QC	Appointed by the Law Society		
			Phil Riddel	Appointed by the Law Society		
			Alison MacPhail, Vice Chair	Appointed by the Law Society		
			Nathalie Baker	October 1, 2018	October 1, 2019	OIC
			Celeste Haldane, Chair	December 31, 2016	December 31, 2019	OIC
			Christine Martin	October 1, 2018	October 1, 2019	OIC
			Mary Turko, Q.C.	April 15, 2019	April 15, 2021	OIC
			Gisela Ruebsaat	October 1, 2018	October 1, 2019	OIC
<b>Notaries Public Board of Examiners</b>	All	3	Christopher Dupuis	June 5, 2018	June 5, 2019	MO
			Patricia Fedewich	June 5, 2018	June 15, 2019	MO

Crown Agencies and Key Stakeholders	# of Govt Appointees	Total # of Appointees	Names of Govt Appointees	Term		Type of Appt (MO/OIC)
<b>CABRO APPOINTMENTS</b>				<b>Appointed</b>	<b>Expiry</b>	
The AG appoints a board of Examiners consisting of three persons to conduct the examinations of applicants for enrolment.			Todd McKendrick	June 5, 2018	June 5, 2020	MO
<b>Notary Foundation</b> The Foundation must be administered by the board consisting of 11 members: the AG or the appointee of the AG (non-BRDO), two lay persons who are appointed by the AG and 8 persons appointed by the directors from among themselves (non-BRDO)	21	2	Lisa Nakamura	June 28, 2011	At pleasure	MO
			Deborah E. Nelson	May 19, 2018	May 19, 2020	MO
			Jaspreet Rehal	March 31, 2018	March 31, 2020	MO

## Other Board Appointments / NON-CABRO

Name of Agency	Contact	# of Govt Appointees	Total # of Appointees	Names of Appointees	Appointed	Expiry	Type of Appt (MO/OIC)
<b>OTHER BOARD APPOINTMENTS / NON-CABRO APPOINTMENTS</b>							
<b>Attorney General's Supreme Court Rules Committee</b> <i>Terms of Reference for this Committee are posted <a href="#">here</a></i>	Kurt Sandstrom			Richard J.M. Fyfe, Q.C. (Chair)			n/a
				Elaine Adair			
				John Bilawich			

Name of Agency	Contact	# of Govt Appointees	Total # of Appointees	Names of Appointees	Appointed		Expiry	Type of Appt (MO/OIC)
OTHER BOARD APPOINTMENTS / NON-CABRO APPOINTMENTS								
providing that Members are appointed for a 5 year term and may be reappointed for a subsequent term. The expiries of terms for these members is not listed and unknown at this time. It is TBD whether CABRO will be overseeing this Committee.				Stuart Cameron				
				Bill Dick, Q.C.				
				Lisa Hamilton, Q.C.				
				John Harvey				
				John Hogg, Q.C.				
				Lindsay LeBlanc				
				Maureen Lundell, Q.C.				
				Francesca Marzari				
				Elliott Myers				
				Scott Nielsen				
				Robert Punnett				
				Richard Rondeau				
				Shelagh Scarth				
				Nathan Smith				
Independent Investigations Office	Sherri Lee and Owen Court (IIO)	1	1	Ronald J. Macdonald	October 24, 2017		October 24, 2022	OIC
Public Guardian & Trustee of BC	Andrea Buzbuzian and Indiana Matters	1	1	Catherine Romanko, PGT	October 10, 2017		October 10, 2023	OIC
Continuing Legal Education Society of BC	Scott W. Farquhar, Chair	n/a	19	Scott W. Farquhar, Chair	Pearlman Lindholm, Victoria			
				Jay Fogel	Crown Counsel, Port Coquitlam			

Name of Agency	Contact	# of Govt Appointees	Total # of Appointees	Names of Appointees	Appointed	Expiry	Type of Appt (MO/OIC)
<b>OTHER BOARD APPOINTMENTS / NON-CABRO APPOINTMENTS</b>							
				Kristin Rongve, Vice Chair	Kristin M.J. Rongve Law Corporation, Lantzville		
				Amy Mortimore	Clark Wilson, LLP, Vancouver		
				Jennifer Chan	Law Society of BC, Vancouver		
				Nina H. Purewal	Crown Counsel, Smithers		
				Michael M. Sinclair	Doak Shirreff Lawyers LLP, Kelowna		
				Michelle Casavant	Government of Canada, Vancouver		
				Prof. Gerry A. Ferguson	University of Victoria Faculty of Law, Victoria		
				W. Martin Finch, QC	Baker Newby LLP, Chilliwack		
				Hon. Judge Ronald G. Lamperson	Provincial Court of BC, Nanaimo		
				Dean P.J. Lawton, QC	Carfra Lawton LLP, Victoria		
				Andrew Martin, Assistant Professor	Peter A. Allard School of Law, Vancouver		
				Maggie Melnychuk	Maggie Melnychuk Professional Law Corporation, Kimberly		
				Dean Bradford Morse	Thompson Rivers University Faculty of Law, Kamloops		
				Ritchie B. Po	Member at Large, Worksafe BC		
				Rolf Warburton	Ministry of Attorney General, Victoria		
				Sandra Wilkinson	Ministry of Attorney General, Vancouver		
				Heidi Zetzsche	Heidi Zetzsch Lawyer, 100 Mile House		
<b>Electoral Boundaries Commission</b>	Neil Reimer	3	3	Justice Tom Melnick (Chair)	May 9, 2014	September 24, 2015	OIC

Name of Agency	Contact	# of Govt Appointees	Total # of Appointees	Names of Appointees	Appointed		Expiry	Type of Appt (MO/OIC)
OTHER BOARD APPOINTMENTS / NON-CABRO APPOINTMENTS								
Appointments end with the delivery of their final report to the Speaker, which for the most recent EBC was Sept. 24, 2015.				Beverley Busson	May 9, 2014		September 24, 2015	OIC
				Keith Archer	May 9, 2014		September 24, 2015	EBC Act
2019 Judicial Compensation Commission <i>Under the Judicial Compensation Act appointees are to be appointed no later than March 1 every three years, and their appointments end when they deliver their final report to the AG in October of that same year.</i>	Neil Reimer		2	Michael Marchbank	March 1, 2019		October, 2019	OIC
				Sheila Tucker, Q.C.	February 22, 2019		October 2019	OIC
Justice Education Society <i>*all members are appointed internally with no formal appointment process.</i>	Chris Beresford	n/a	14	Hon. Justice Peter Voith	President			
				Chris Beresford	Vice President/Treasurer			
				David Duncan	Executive Committee			
				Hon. Chief Judge Melissa Gillespie	Executive Committee			
				Joe Knockaert	Executive Committee			
				Peter J. Roberts	Executive Committee			
				Mathew Good	Director			
				Ben Hoogendoorn	Director			
				Lauryn Kerr	Director			
				Kate Kimberley	Director			

Name of Agency	Contact	# of Govt Appointees	Total # of Appointees	Names of Appointees	Appointed		Expiry	Type of Appt (MO/OIC)
OTHER BOARD APPOINTMENTS / NON-CABRO APPOINTMENTS								
				Keith Ogilvie	Director			
				Dave Dickinson	Director			
				Hon. Madam Justice Lauri Ann Fenlon	Director			
				Ardith Walkem, QC	Director			

***Justice Services Branch  
Tribunals Appointment Schedule***

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
			Appointed	Expiry	
BC Human Rights Tribunal	11	Steven Adamson	December 31, 2017	December 31, 2019	OIC
		Jacqueline Beltgens	August 15, 2014	August 15, 2019	OIC
		Devyn Cousineau	May 1, 2018	May 1, 2022	OIC
		Catherine McCreary	December 31, 2017	December 31, 2019	OIC
		Pamela Murray	October 1, 2018	October 1, 2022	OIC
		Emily F. Ohler	June 9, 2016	June 9, 2019	OIC
		Walter Rilkoff	February 28, 2014	February 28, 2019	OIC
		Paul Singh	April 16, 2018	April 16, 2022	OIC
		Kathleen Smith	October 1, 2018	October 1, 2022	OIC
		Norman Trerise	December 3, 2015	December 3, 2020	OIC
		Diana Vandor (Juricevic), Chair	August 1, 2016	August 1, 2020	OIC
BC Review Board	23	Jeremy Berland	February 28, 2018	February 29, 2020	OIC
		Matthew Burnett	December 11, 2017	December 11, 2019	OIC
		Paula Cayley	September 26, 2018	September 26, 2023	OIC
		Peter D.A. Constance	December 31, 2016	December 31, 2020	OIC
		Brenda Edwards	January 2, 2018	January 2, 2021	OIC
		Ingrid A. Friesen	December 31, 2017	December 31, 2020	OIC
		Linda J. Grasswick	November 8, 2007	December 31, 2023	OIC
		Sam Iksander	September 1, 2016	September 1, 2019	OIC
		Rakesh Lamba	January 2, 2018	January 2, 2022	OIC

May 10, 2019



Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
		Barry L. Long (Vice Chair/Alternate)	January 31, 2018	January 31, 2022	OIC
		Allison MacPhail	February 28, 2018	February 28, 2022	OIC
		Maryam Majedi	September 1, 2016	September 1, 2019	OIC
		Alan E. Markwart	February 28, 2018	February 28, 2022	OIC
		Lynda Murdoch	December 15, 2016	December 15, 2023	OIC
		Werner J. Pankratz	April 21, 2010	December 31, 2023	OIC
		Kim H. Polowek	July 31, 2016	July 31, 2020	OIC
		Jeanette E. Smith	September 19, 2018	September 19, 2023	OIC
		Ronald W.D. Stevenson	December 31, 2016	December 31, 2020	OIC
		John Threlfall	January 2, 2018	January 2, 2021	OIC
		Todd Tomita	September 22, 2015	September 22, 2019	OIC
		Bernd Walter, Chair	September 1, 2016	September 1, 2020	OIC
		Christopher Webster	June 18, 2018	June 18, 2021	OIC
		Stuart James Whitley	December 11, 2017	December 11, 2019	OIC
BC Utilities Commission	13	Dennis A. Cote	October 30, 2008	December 31, 2021	OIC
		Anna Fung	December 11, 2017	December 11, 2021	OIC
		Douglas Enns	July 21, 2016	December 31, 2018	OIC
		William Everett	February 18, 2018	February 18, 2019	OIC
		Howard G. Harowitz	July 21, 2016	December 31, 2019	OIC
		Karen Keilty	July 21, 2016	December 31, 2019	OIC
		Miriam Kresivo	June 9, 2016	December 31, 2019	OIC
		Elizabeth (Blair) Lockhart	November 26, 2018	November 26, 2022	OIC
		Thomas Loski	November 26, 2018	November 26, 2022	OIC
		Bernard Magnan	June 22, 2012	December 31, 2019	OIC
		Richard I. Mason	July 21, 2016	December 31, 2019	OIC

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
		David M. Morton, Chair	November 4, 2010	December 31, 2019	OIC
		Richard D. Revel	December 11, 2012	December 31, 2019	OIC
<b>Building Code Review Board</b>	4	Keith Calder	February 16, 2016	February 16, 2019	MO
		Lyle Kuhnert, Chair	January 15, 2018	January 15, 2019	MO
		Douglas Vance	November 28, 2017	November 28, 2019	MO
		Frances Victor	November 30, 2018	November 30, 2020	MO
<b>Civil Resolution Tribunal</b>	43	Maureen Abraham	May 8, 2015	December 31, 2022	OIC
		Maureen Baird	December 31, 2017	December 31, 2021	OIC
		Kathryn A. Berge	December 31, 2017	December 31, 2021	OIC
		Jamie Bleay	December 31, 2017	December 31, 2021	OIC
		James (Garth) Cambrey (Vice Chair)	July 31, 2016	July 31, 2019	OIC
		Morgan Camley	December 11, 2017	December 11, 2020	OIC
		Kathryn (Kate) Campbell	December 11, 2017	December 11, 2021	OIC
		John Chesko	December 11, 2017	December 11, 2019	OIC
		Mary Childs	December 11, 2017	December 11, 2020	OIC
		Jordanna Cytrynbaum	December 11, 2017	December 11, 2020	OIC
		Andrew Gay	December 31, 2017	December 31, 2021	OIC
		Julie Gibson	December 11, 2017	December 11, 2021	OIC
		Sherelle Goodwin	December 11, 2017	December 11, 2020	OIC
		Richard (Hoops) Harrison	December 31, 2017	December 31, 2021	OIC
		Samuel Hyman	December 11, 2017	December 11, 2020	OIC
		Rosemarie Keith	December 11, 2017	December 11, 2019	OIC
		Michael Kleisinger	December 11, 2017	December 11, 2020	OIC
		Kamaljit Kaur Lehal	December 31, 2017	December 31, 2021	OIC

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
		Darrell LeHouillier	December 11, 2017	December 11, 2020	OIC
		Shelley Lopez	January 26, 2017	January 26, 2021	OIC
		Susan MacFarlane	December 11, 2017	December 11, 2019	OIC
		Karen Mok	December 11, 2017	December 11, 2019	OIC
		Graeme Nunn	December 11, 2017	December 11, 2019	OIC
		Sarah Orr	November 20, 2018	November 20, 2021	OIC
		Penelope Pearson	December 11, 2017	December 11, 2019	OIC
		Amy Peck	December 11, 2017	December 11, 2020	OIC
		Andrew Pendray	December 31, 2018	December 31, 2022	OIC
		James Posynick	December 11, 2017	December 11, 2019	OIC
		Shaun Ramdin	December 11, 2017	December 11, 2019	OIC
		Eric Regehr	December 11, 2017	December 11, 2020	OIC
		Susan Ross	December 11, 2017	December 11, 2019	OIC
		Shannon Salter (Chair)	July 11, 2014	July 11, 2023	OIC
		Salima Samnani	December 11, 2017	December 11, 2019	OIC
		Lynn Scrivener	October 1, 2018	October 1, 2021	OIC
		Adam Shee	December 11, 2017	December 11, 2019	OIC
		Vivienne Stewart	December 11, 2017	December 11, 2019	OIC
		Catherine Sullivan	December 11, 2017	December 11, 2019	OIC
		Ashley Syer	December 11, 2017	December 11, 2019	OIC
		Megan Volk	October 1, 2018	October 1, 2021	OIC
		Helene Walford	December 11, 2017	December 11, 2020	OIC
		Michael Welsh	December 11, 2017	December 11, 2019	OIC
		Craig (Tony) Wilson	December 11, 2017	December 11, 2019	OIC
		Frederick Wynne	December 11, 2017	December 11, 2019	OIC

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
<b>Community Care and Assisted Living Appeal Board</b>	8	Chi Tung Chan	July 31, 2018	July 31, 2022	OIC
		Shelene Christie	July 31, 2016	July 31, 2019	OIC
		Alison Narod (Chair)	July 31, 2018	June 30, 2022	OIC
		Harry Gray	July 31, 2016	July 31, 2019	OIC
		Patrick Lewis	February 23, 2015	February 23, 2019	OIC
		Richard Margetts	July 31, 2018	July 31, 2022	OIC
		Margret McBride	June 30, 2018	June 30, 2022	OIC
		Donald Storch	July 31, 2016	July 31, 2019	OIC
<b>Employment Standards Tribunal</b>	13	Shafik Bhallo	May 31, 2016	May 31, 2020	MO
		Robert Groves	March 31, 2016	March 31, 2019	MO
		Jacqueline de Aguayo, Chair	February 5, 2018	February 5, 2022	OIC
		Michelle Good	June 25, 2018	June 25, 2020	MO
		Richard Grounds	June 2, 2018	June 25, 2020	MO
		Richard Harrison	December 14, 2016	December 14, 2018	MO
		James Maxwell	June 25, 2018	June 25, 2020	MO
		Marnee Pearce	December 14, 2016	December 14, 2020	MO
		Carol Roberts	March 31, 2016	March 31, 2020	MO
		David Stevenson	March 31, 2016	March 31, 2019	MO
		Kenneth Thornicroft	March 24, 2016	March 31, 2020	MO
		Allison Tremblay	June 25, 2018	June 25, 2020	MO
		Maia Tsurumi	June 25, 2018	June 25, 2020	MO
<b>Environmental Appeal Board Forest Appeals</b>	21	Alan Andison (Chair)	December 31, 2018	June 30, 2019	OIC
	21	Maureen E. Baird, Q.C.	December 31, 2018	December 31, 2020	OIC
	21	Lorne Borgal	July 31, 2016	July 31, 2020	OIC

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
<b>Commission Oil and Gas Appeal Tribunal</b>		Monica Danon-Schaffer	December 31, 2017	December 31, 2019	OIC
		Brenda L. Edwards	December 31, 2018	December 31, 2019	OIC
		Les Gyug	December 31, 2017	December 31, 2020	OIC
		Jeffrey A. Hand	December 31, 2018	December 31, 2019	OIC
		Gabriella Lang (Vice Chair)	December 31, 2017	December 31, 2021	OIC
		Darrell LeHouillier	December 11, 2017	December 11, 2019	OIC
		Lana Lowe	December 31, 2019	December 31, 2020	OIC
		James Mattison	December 31, 2017	December 31, 2020	OIC
		Linda Gayle Michaluk	December 31, 2018	December 31, 2020	OIC
		Susan Ross	December 11, 2017	December 11, 2019	OIC
		Teresa Salamone	July 31, 2018	December 31, 2020	OIC
		Howard M. Saunders	December 31, 2015	December 31, 2018	OIC
		Daphne Stancil	December 31, 2017	December 31, 2019	OIC
		Douglas VanDine	December 31, 2017	December 31, 2020	OIC
		Reid White	December 31, 2018	December 31, 2020	OIC
		Robert Wickett	December 31, 2017	December 31, 2021	OIC
		Norman E. Yates	December 31, 2017	December 31, 2020	OIC
<b>Financial Services Tribunal</b>	2	Jane Purdie, Q.C.	July 12, 2018	November 30, 2020	OIC
		Richard Tourigny (Acting Chair)	December 17, 2018	December 17, 2021	ATA
		Vacant (Chair)			
<b>Health Professions Review Board</b>	20	Michael Alexandor	December 31, 2018	December 31, 2020	OIC
		Kent Ashby	December 31, 2017	December 31, 2020	OIC
		Karima Bawa	December 31, 2017	December 31, 2020	OIC
		Lorianna Bennett	December 31, 2018	December 31, 2022	OIC

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
		Shannon Bentley	December 31, 2017	December 31, 2020	OIC
		Fazal Bhimji	December 31, 2017	December 31, 2020	OIC
		Lorne Borgal	December 31, 2018	December 31, 2020	OIC
		Marilyn Clark	December 31, 2017	December 31, 2020	OIC
		Douglas Cochran	November 28, 2018	December 31, 2022	OIC
		William Cottick	December 31, 2017	December 31, 2020	OIC
		Brenda Edwards	December 31, 2017	December 31, 2020	OIC
		Gordon Harrison	December 31, 2017	December 31, 2020	OIC
		David Hobbs, Chair	February 23, 2018	February 23, 2021	OIC
		Roy Kahle	December 31, 2018	December 31, 2021	OIC
		Robert McDowell	November 28, 2018	December 31, 2020	OIC
		John O'Fee, Q.C.	December 31, 2017	December 31, 2020	OIC
		Robert Orr, Q.C.	December 31, 2018	December 31, 2021	OIC
		Donald Silversides	December 31, 2018	December 31, 2021	OIC
		Kent Woodruff	December 31, 2017	December 31, 2020	OIC
		Deborah Zutter	December 31, 2017	December 31, 2020	OIC
Hospital Appeal Board	10	Douglas Blackman	February 20, 2012	May 31, 2021	MO
		Paul Champion	January 1, 2019	June 30, 2019	ATA
		Kevin Doyle	December 31, 2016	December 31, 2019	MO
		Darlene Kolybabi	November 6, 2018	November 6, 2020	MO
		Joanna Nemrava	May 18, 2010	May 31, 2019	MO
		David Perry (Chair)	December 7, 2012	December 31, 2020	MO
		Maureen Piercey	December 31, 2015	December 31, 2019	MO
		Stacy Robertson	December 31, 2016	December 31, 2019	MO
		Lorraine Unruh	December 31, 2016	December 31, 2019	MO

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
		Cheryl Vickers	March 1, 2018	March 1, 2019	MO
Industry Training Appeal Board	3	Gordon Armour (Chair)	July 31, 2016	July 31, 2019	OIC
		Martha Dow	July 31, 2018	July 31, 2021	OIC
		Richard Grounds	November 26, 2018	November 26, 2020	OIC
Labour Relations Board	8	Andres Barker	April 30, 2018	April 30, 2021	OIC
		David Chesman, Q.C.	July 30, 2018	July 30, 2021	OIC
		Jacqueline de Aguayo, Chair	February 5, 2018	February 5, 2022	OIC
		Stephanie Drake (Vice Chair)	July 30, 2018	July 30, 2021	OIC
		Jennifer Glougie (Vice Chair)	June 1, 2016	June 1, 2019	OIC
		Karen Jewell (Vice Chair)	April 30, 2018	April 30, 2021	OIC
		Komi Kandola (Vice Chair)	September 21, 2018	September 1, 2021	OIC
		Brett Matthews (Vice Chair)	July 30, 2018	July 30, 2021	OIC
Mental Health Review Board	73	Clara (Tess) Acton	January 2, 2019	January 2, 2023	MO
		Philip Harvey Adilman	March 27, 2017	March 27, 2019	MO
		Anil Aggarwal	January 2, 2019	January 2, 2023	MO
		Yasin Amlani	January 2, 2019	January 2, 2023	MO
		Josh Apland	January 2, 2019	January 2, 2023	MO
		Susan Atwal	January 2, 2019	January 2, 2023	MO
		Zoe Baker	September 27, 2018	March 27, 2019	ATA
		Kathryn Beck	January 2, 2019	January 2, 2023	MO
		Jacqueline Beltgens	September 17, 2018	September 17, 2022	MO
		Joan Bubbs	December 31, 2018	December 31, 2023	MO
		Leslie R. Buckley	December 31, 2018	December 31, 2020	MO

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
		Roger Cardinal	December 31, 2018	December 31, 2020	MO
		Marilyn L. Carey	December 31, 2018	December 31, 2023	MO
		Bhapinder (Pinder) Cheema	April 30, 2016	April 30, 2020	MO
		Kenmau (Ken) Chow	December 31, 2018	December 31, 2023	MO
		Douglas Cochran	December 31, 2018	December 31, 2020	MO
		Francis (Frank) Cole	January 2, 2019	January 2, 2023	MO
		Linda Cross	January 2, 2019	January 2, 2023	MO
		Rena Dhir	January 2, 2019	January 2, 2023	MO
		Michael Dionne	December 31, 2018	December 31, 2023	MO
		Arlene Doll	December 31, 2018	December 31, 2020	MO
		Denise Drew	December 31, 2017	December 31, 2019	MO
		Helen Duffy	December 31, 2018	December 31, 2023	MO
		Robyn Durling	May 1, 2018	May 1, 2022	MO
		Stanley G. Eaman	December 31, 2018	December 31, 2023	MO
		Beverly Froese	September 17, 2018	September 17, 2022	MO
		Susan Garries	December 31, 2017	December 31, 2019	MO
		Michelle Good	January 2, 2019	January 2, 2023	MO
		Helen Gowans	December 31, 2018	December 31, 2020	MO
		Elizabeth Gray	April 30, 2016	April 30, 2023	MO
		Robert A. Griffiths	December 31, 2018	December 31, 2023	MO
		Harvey Grigg	December 31, 2018	December 31, 2023	MO
		Laura Hall	January 2, 2019	January 2, 2023	MO
		Natalie L. Hebert	December 31, 2018	December 31, 2020	MO
		Roger Higgins	December 31, 2016	December 31, 2023	MO
		Gillian Hodge	December 31, 2018	December 31, 2023	MO
		Marie Ingram	December 31, 2018	December 31, 2020	MO



Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
		Richard (Rick) Jackson	January 2, 2019	January 2, 2023	MO
		Guy Joly	December 31, 2018	December 31, 2023	MO
		Noriko Kawaguchi	May 1, 2018	May 1, 2022	MO
		Theresa Kerin	January 2, 2019	January 2, 2023	MO
		Ingrid A. Kolsteren	December 31, 2018	December 31, 2020	MO
		Diane M. Lamb	December 31, 2018	December 31, 2020	MO
		Stewart Lamon	March 27, 2017	March 27, 2019	MO
		Anne Leclerc	January 2, 2019	January 2, 2023	MO
		Loraine Lee	December 31, 2018	December 31, 2023	MO
		Judith Leong	April 30, 2016	April 30, 2020	MO
		Doug DePard	January 2, 2019	January 2, 2023	MO
		Janet Lew	January 2, 2019	January 2, 2023	MO
		Elena Lisiak	December 31, 2018	December 31, 2023	MO
		Irene J. Lyttle	December 31, 2018	December 31, 2023	MO
		Marie-Noel Magda (Campbell)	January 2, 2019	January 2, 2023	MO
		William Maurice	April 30, 2018	April 30, 2023	MO
		Heather McDonald	January 2, 2019	January 2, 2023	MO
		Renee Y. McFadyen	December 31, 2018	December 31, 2023	MO
		Marguerite Millar	January 2, 2019	January 2, 2023	MO
		Doris Muldowney	January 2, 2019	January 2, 2023	
		Alistair Murray	April 30, 2016	April 30, 2021	MO
		Saverio Naccarato	April 30, 2016	April 30, 2023	MO
		Elton Ngan	April 30, 2016	April 30, 2023	MO
		Suniti Pande	March 27, 2017	March 27, 2019	MO
		Hugh Parfitt	April 30, 2018	April 30, 2023	MO
		Sridhar (Sri) Pendakur	January 2, 2019	January 2, 2023	MO

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
		Jennifer Pfliger	December 31, 2018	December 31, 2023	MO
		Adam Picotte	January 2, 2019	January 2, 2023	MO
		Wayne Plenert	December 31, 2018	December 31, 2023	MO
		Kim Polowek	January 2, 2019	January 2, 2023	MO
		Dale Pope, Q.C.	December 31, 2018	December 31, 2020	MO
		June Preston	December 31, 2018	December 31, 2020	MO
		John Richardson	December 31, 2018	December 31, 2023	MO
		Tanya Rogers-Rainey	December 31, 2018	December 31, 2023	MO
		Glenn Rosenfeld	January 2, 2019	January 2, 2023	MO
		Michael Rosenfeld	December 20, 2017	January 2, 2023	MO
		Leandre Rupert-Bailey	April 4, 2018	April 4, 2019	MO
		Christine (Chris) Shumka	January 2, 2019	January 2, 2023	MO
		Bonita Small	September 17, 2018	September 17, 2022	MO
		Linda Smerychynski	December 31, 2018	December 31, 2023	MO
		Allen Soroka	December 31, 2018	December 31, 2020	MO
		Oleg Tomchenko	December 31, 2018	December 31, 2023	MO
		Ralph Uhlmann	December 31, 2018	December 31, 2023	MO
		Diana Vandor (Juricevic), Chair	March 5, 2018	March 5, 2021	MO
		Cheryl Vickers	January 2, 2019	January 2, 2023	MO
		Sharel Wallace	April 30, 2018	April 30, 2023	MO
		Theresa Walsh	January 2, 2019	January 2, 2023	MO
		Karl Warner, Q.C.	January 2, 2019	January 2, 2023	MO
		Peter Warner, Q.C.	December 31, 2018	December 31, 2023	MO
		John Watt	May 24, 2018	May 24, 2023	MO
		Laurie Williams	December 31, 2017	December 31, 2023	MO
		Kum Chim Wong	December 31, 2018	December 31, 2023	MO

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
		Lisa Wong	December 31, 2018	December 31, 2023	MO
Property Assessment Appeal Board	24	Maureen Baird, Q.C.	December 31, 2018	December 31, 2021	OIC
		Dennis (Allan) Beatty	January 29, 2018	January 29, 2020	OIC
		John Bridal	December 31, 2016	December 31, 2019	OIC
		Winton Derby	December 31, 2016	December 31, 2019	OIC
		Larry Dybvig	December 31, 2016	December 31, 2019	OIC
		Dianne Flood	December 31, 2016	December 31, 2019	OIC
		Robert Fraser	August 19, 2018	August 19, 2022	OIC
		Erin Frew (Vice Chair)	July 21, 2016	July 21, 2019	OIC
		Mandy Hansen	December 31, 2016	December 31, 2019	OIC
		Christopher Hope	December 31, 2016	December 31, 2019	OIC
		James Howell (Vice Chair)	February 22, 2017	February 22, 2020	OIC
		David Jang	December 31, 2018	December 31, 2021	OIC
		Howard Kushner	December 31, 2016	December 31, 2019	OIC
		David Lee	December 31, 2016	December 31, 2019	OIC
		Michael Litchfield	December 31, 2016	December 31, 2019	OIC
		Bruce Maitland	December 31, 2016	December 31, 2019	OIC
		Robert Metcalf	December 31, 2016	December 31, 2019	OIC
		Edwina Nearhood	November 26, 2018	December 31, 2021	OIC
		Dale Pope, Q.C.	December 31, 2016	December 31, 2019	OIC
		Simmi Sandhu (Chair)	March 31, 2018	March 31, 2020	OIC
		Audrey Suttorp	December 31, 2016	December 31, 2019	OIC
		Kenneth Thornicroft	December 31, 2016	December 31, 2019	OIC
		Bruce Turner	December 31, 2016	December 31, 2019	OIC
		Candace Watson	February 18, 2018	February 18, 2021	OIC

Crown Agencies and Key Stakeholders	Total No. of Appointees	Names of Gov't Appointees	Term		Type of Appt (MO/OIC)
<b>Safety Standards Appeal Board</b>	5	Terrance Bergen	March 5, 2017	March 5, 2020	MO
		David Martin	March 1, 2018	March 1, 2020	MO
		Tim Haaf	December 31, 2017	December 31, 2021	MO
		Jeffrey Hand (Chair)	March 5, 2017	March 5, 2020	MO
		Ted Simmons	December 31, 2017	December 31, 2021	MO
<b>Surface Rights Board</b>	5	Robert Fraser	December 31, 2018	December 31, 2021	OIC
		Michelle Good	December 12, 2018	December 12, 2020	OIC
		Howard Kushner	July 31, 2016	July 31, 2019	OIC
		Simmi Sandhu (Vice Chair)	July 31, 2018	July 31, 2022	OIC
		Cheryl Vickers (Chair)	December 31, 2016	December 31, 2018	OIC

**2019/20 ESTIMATES NOTE****Conduct of Bail Hearings****KEY MESSAGES:**

- In February 2017, the Alberta Court of Queen's Bench determined that there is no legal authority for police officers to conduct bail hearings in indictable matters, including hybrid offences where the Crown has not yet elected whether to proceed indictably or summarily (In the *Matter of Hearing Office Bail Hearings (Re)*, 2017 ABQB 74).
- At the time of the Alberta judgment, BC was the only jurisdiction in Canada apart from Alberta in which police conducted bail hearings (usually outside of regular court hours) in indictable matters. A review of the Alberta judgment led BC Prosecution Service (BCPS) to conclude that the legal analysis set out in the Alberta judgment is the correct interpretation of the relevant provisions of the *Criminal Code*, resulting in the BCPS and its justice partners developing a new process for taking over direct responsibility for all after-hours charge approval and bail hearings from police.
- At the time of the Alberta judgment, police conducted approximately 1,400 out-of-court, after-hours, weekend, and statutory holiday bail hearings per month in all locations outside of Vancouver.
- Implementation of a new process for Crown-led bail hearings began in February 2018. Phase one, involving Crown Counsel having conduct of all weekend bail hearings, was completed in November.
- There are now five weekend bail hub locations operating in Vancouver, Surrey, Victoria, Kelowna, and Prince George.
- Phase two will involve Crown assuming conduct of all evening bail court hearings across the province, utilizing two hub locations in Vancouver and Surrey. Implementation of phase two should be complete by the end of 2019.

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April 8, 2019

Contact: Brian Anderson	Tel: 250-356-1486	Mobile: s.17
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- The BCPS received notional Contingencies Vote access for 2018/19 to fund the additional staffing required to take on these additional after-hours bail responsibilities. Full 2018/19 fiscal year estimated resource requirements were 10 Crown Counsel and 10 Legal Assistants (total of 20 FTEs), at an annual cost of \$3.2 million. Actual costs were lower, at an estimated \$1.5 million and 10 FTEs, because of a staggered implementation.
- Notional Contingencies Vote access has been approved for fiscal 2019/20. The phase two process for assuming full evening bail hearings will likely not exceed the 2018/19 resource estimate of \$3.2 million and 20 FTEs.
- Some system enhancements have been required, involving JUSTIN betterments, to allow for electronic charge assessment for smaller and more remote detachments, and a new system to allow for secure electronic transfer of evidence from police to Crown Counsel at the hub locations.
- Once fully implemented, in addition to better access to justice, the BCPS anticipates associated benefits from the move to Crown-led after hours bail, including: more efficient file management and quality control at the front end of the process, better and more efficient work flows for police, Crown Counsel, and court registry staff, and likely reduction in the number of accused persons, who would otherwise qualify for immediate release, being held in custody on short-term remands.

Contact: Brian Anderson	Tel: 250-356-1486	Mobile: s.17
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**2019/20 ESTIMATES NOTE*****Jordan Delay*****KEY MESSAGES:**

- On July 8, 2016, the Supreme Court of Canada established binding timelines for the processing of criminal cases in Canada.
- Systemic delay (excluding delay attributable to the defence) that extends beyond the established timelines is presumptively “unreasonable” under s. 11(b) of the *Charter of Rights and Freedoms*. The established timeline for Provincial Court criminal cases is 18 months and the established timeline for BC Supreme Court criminal cases is 30 months.
- Unless Crown Counsel is able to justify systemic delay that exceeds these thresholds on the basis of “exceptional circumstances”, the constitutional right to be tried within a reasonable time is violated and the prosecution is liable to be terminated by a judge.
- The BC Prosecution Service (BCPS) has been actively working on reducing systemic delay for a number of years and continues to do everything it can to meet the timelines established by the Supreme Court of Canada in the cases it prosecutes.
- Starting in 2012, BCPS has implemented a number of process reforms that were specifically designed to address the problem of delay. These reforms were substantially completed in December 2015 and include:
  - Enhanced Crown File Ownership to reduce file churn;
  - Province-wide Quality Standards for proactive criminal case management, including front-end disclosure and online charge assessment;
  - Policy direction on increased early resolution;
  - Increased flexibility on the use of Direct Indictments;
  - Technology improvements to information-flow between police, the Prosecution Service and the defence;

- Implementation of a province-wide electronic File Closing Survey to gather business intelligence on material process and file developments;
- A Major Case Management model to bring a project management approach to CJB's largest prosecutions.
- As part of an ongoing process of continuous improvement, the BCPS has been developing and rolling out new reforms and initiatives since 2016. These include:
  - A Comprehensive Disclosure Strategy (in partnership with the Policing and Security Programs Branch of the Ministry of Public Safety and Solicitor General) aimed at increasing efficiencies and reducing delay in criminal case disclosure. Implementation of the recommendations of the Comprehensive Disclosure Strategy is ongoing and includes the Front End Efficiencies Pilot offices in Vancouver, Surrey and Prince George.
  - A Continuous Improvement Plan that is focused on streamlining the BCPS's administrative processes;
  - The development of an electronic Crown Counsel Scheduling System, which will facilitate integrated electronic case scheduling with the Provincial Court so that Crown Counsel's availability can be accessed by Judicial Case Managers for the purpose of fixing trial dates. This project also provides direct support for the long-term sustainability of Crown File Ownership, which is designed—at least in part—to facilitate increased early resolution and proactive file management by assigned Crown Counsel.
- The BCPS's completed reforms, coupled with its ongoing initiatives, help the Prosecution Service to mitigate concerns about delay that have been raised by the Supreme Court of Canada. However, the risk of judicial stays of proceedings in criminal cases, including those involving serious charges of violence, continues to vex all jurisdictions in Canada, including BC.



**2019/20 ESTIMATES NOTE**

**Special Prosecutions -Bountiful, Dhillon, Dziekanski Incident Officers, Surrey Six Investigators, Bonney, Strimbold**

**KEY MESSAGES:**

- Special Prosecutors are appointed by the Assistant Deputy Attorney General, when he considers it in the public interest to do so. Usually the stated purpose for doing this is to avoid any potential for real or perceived improper influence in the administration of justice. Special Prosecutors are senior outside lawyers who are able to make their decisions independently of both government and the BC Prosecution Service.
- In order to protect the integrity and independence of the Special Prosecutor system, it would not be appropriate for me as Attorney General to comment on, or discuss any ongoing matter that is being managed by a Special Prosecutor.

**The following non-exhaustive list contains summaries of high profile Special Prosecutions that have entered the public domain. In most cases they are the subject of Media Statements that have been released by the BCPS.**

**Bountiful**

- On January 13, 2012, after a direction from the Attorney General, Assistant Deputy Attorney General (ADAG) Robert Gillen, QC, appointed Peter Wilson, QC, to provide advice to police in relation to an ongoing investigation into potential offences against minors by individuals associated with the community of Bountiful.
- Mr. Wilson's mandate was eventually extended to include consideration of offences of polygamy.
- Mr. Wilson approved and prosecuted two different sets of charges. After the first trial, on charges of removal of young women from Canada to facilitate sexual offences, two of the three accused were convicted and one was

acquitted. The Special Prosecutor initiated an appeal of the acquittal and one of the two convicted offenders has appealed the conviction. The two convicted offenders were sentenced on August 11, 2017. The Appeals were heard in June 2018. The appeal from conviction was dismissed while the Special Prosecutor's appeal of the Acquittal was allowed. The re-trial recently completed and the decision is due on June 24, 2019.

- The second trial, on charges of polygamy, was concluded in the spring of 2017. A guilty verdict was rendered on July 24, 2017. Initially no conviction was formally entered because the accused had filed notice of an intention to challenge the validity of the proceedings on *Charter* and common law grounds. That application was heard in November 2017. On March 9, 2018, the applications were dismissed. The sentencing hearing was held on May 15, 2018. On June 26, 2018, Mr. Blackmore was sentenced to six months of house arrest and ordered to perform 150 hours of community service, while Mr. Oler was sentenced to three months of house arrest and 75 hours of community service.

Gurdev Singh Dhillon/Mohammed Zaaidd Ukhttar/Sital Singh Bhatti

- On September 23, 2011, ADAG Robert Gillen, QC, appointed Peter Wilson, QC, to review a 2005 conviction for sexual assault against Gurdev Singh Dhillon. The review was initiated after the BC Prosecution Service learned of potentially exculpatory evidence that had not been made available to Crown Counsel or the defence at the time of Mr. Dhillon's trial, or on his subsequent appeal from conviction.
- On February 20, 2013, the BC Prosecution Service announced that Mr. Wilson had concluded that a miscarriage of justice had occurred in the case and that Mr. Dhillon should be provided the opportunity to have the conviction set aside. The BC Prosecution Service also announced that Mr. Wilson had approved a charge of sexual assault against two other individuals, Mohammed Zaaidd Ukhttar and Sital Singh Bhatti, in relation to the offence giving rise to Mr. Dhillon's conviction.

- In the spring of 2016, Mr. Bhatti pled guilty and charges were stayed against Mr. Ukhttar. Mr. Dhillon's appeal was allowed and the charges against him were stayed. Shortly thereafter Mr. Dhillon commenced civil proceedings against the BC Government seeking compensation for his conviction and imprisonment.
- A negotiated settlement was arrived at in August of 2018, the terms of which are confidential and have not been publicly disclosed.

#### Dziekanski Incident Officers

- On June 18, 2010, following the release of the report of the Braidwood Inquiry into the death of Robert Dziekanski at Vancouver Airport, ADAG Robert Gillen, QC, appointed Richard Peck, QC, to determine whether the original BC Prosecution Service decision not to charge the RCMP officers involved should be revisited.
- On June 29, 2010, the BC Prosecution Service announced Mr. Peck's conclusion that the original decision not to charge should be reviewed, noting that there was additional material not available to the BC Prosecution Service at the time of the original charge assessment decision.
- On May 6, 2011, the BC Prosecution Service announced that Mr. Peck had concluded that the four RCMP officers in the case should be charged with perjury and that the matters should proceed by way of separate Direct Indictments against each officer. These matters have proceeded to trial with two convictions and two acquittals. The two convicted officers, whose appeals to the BC Court of Appeal were denied, had their conviction appeals heard by the Supreme Court of Canada. The appeals were dismissed on October 30, 2017.

- On July 12, 2018 the last of the officers abandoned his sentence appeal and on September 11, 2018, the Special Prosecutor released a clear statement respecting his work on the file.

#### Surrey Six Investigators

- On March 6, 2011 ADAG Robert Gillen, QC, appointed Christopher Considine, QC, in relation to an investigation into the activities of Sgt. Derek Brassington and 3 other police officers involved in the investigation of the “Surrey Six” homicide case.
- On June 23, 2011, the BC Prosecution Service announced that Mr. Considine had approved charges against the four members of the RCMP for breach of trust, fraud and attempting to obstruct justice. The trial was adjourned from time to time on account of various pre-trial proceedings and rulings and anticipated appeals of those rulings. In 2017 the Special Prosecutor received leave to appeal two decisions on the case to the Supreme Court of Canada. Those appeals were heard in March 2018.
- On July 20, 2018 the court granted the Crown appeals clearing the way for the trial to proceed. An application to have the charges stayed for unreasonable delay was dismissed in the fall of 2018. The trial was set to commence January 28, 2019, but charges were resolved for three accused with guilty pleas on the eve of trial. On March 5, 2019, the charges against the fourth accused were stayed for medical reasons.

#### R. v. Bonney

- In August 2013, the RCMP began an investigation into matters arising out of the *Review of the Draft Multicultural Strategic Outreach Plan* (a report prepared by John Dyble in March 2013). On August 29, 2013, Special Prosecutor David Butcher, QC, was appointed to assist police with the investigation.
- In September 2014, the Special Prosecutor approved charges under the provincial *Election Act* against two persons: Brian Bonney and Mark Robertson and against a corporation, 0750837 B.C. Ltd. dba Mainland

Communications. In the spring of 2016 the Special Prosecutor accepted a guilty plea from the numbered company and stayed charges against the two individuals accused.

- The investigation in relation to other offences continued.
- On May 6, 2016, the Special Prosecutor announced that he had approved a further charge against Brian Bonney for breach of trust under the *Criminal Code*. The trial of these charges was set for October 16, 2017. On October 12, 2017, Mr. Bonney plead guilty. He was sentenced on January 31, 2018, to a nine month conditional sentence.
- In December, 2018 the Special Prosecutor released a clear statement respecting his work on these matters.

#### R. v. Strimbold

- On March 7, 2018, ADAG Peter Juk, QC, appointed Leonard Doust, QC, Special Prosecutor in relation to an investigation which resulted in charges being laid against the former mayor of Burns Lake by the Burns Lake RCMP.
- On February 3, 2018, the accused was arrested and charged with a number of sex related offences. The accused is the former mayor of Burns Lake and has served on a number of committees with the BC Liberal Party.
- Mr. Doust was given a mandate to conduct an independent assessment of the RCMP charges based on the RCC submitted by the investigative agency, and making the charging decision he deems appropriate in the exercise of his independent discretion.
- After receiving further investigative materials the Special Prosecutor approved further charges and obtained approval to proceed by direct indictment.
- In November 2018 Mr. Doust was excused from his duties as Special Prosecutor for health reasons. Richard Peck QC agreed to assume conduct of the file as Special Prosecutor.

- On May 6, 2019 the accused entered guilty pleas to some of the charges in accordance with a resolution agreement. His sentencing hearing is scheduled for September 23, 2019.

R. v. Vagramov

- On December 17, 2018 Michael Klein QC was appointed Special Prosecutor in relation to an investigation of a sexual assault alleged to have occurred in Coquitlam in 2015. The suspect was alleged to be Mr. Robert Vagramov, the current mayor of Port Moody.
- Ultimately Mr. Klein approved a single charge of sexual assault contrary to section 271 of the Criminal Code against Mr. Vagramov. The accused made his first appearance on the matter on April 25, 2019 in Port Coquitlam Provincial Court. The next appearance is on May 29, 2019 to fix a date for the trial.

**2019/20 ESTIMATES NOTE****Abbotsford Courthouse Project****KEY MESSAGES:**

- The Province is building new law courts on land leased for 60 years from the City of Abbotsford.
- The new courts improve access to justice for citizens in this fast-growing region and address priorities outlined in the Ministry of Attorney General Lower Fraser Valley Court Strategy.
- In January 2017, Treasury Board approved the business case to initiate the \$157.2 M project.
- The contract was issued to Plenary PCL Justice in May 2018.
- The facility is currently in the construction stage and will be completed in the fall of 2020. Court operations are expected to begin early 2021.

**Key Points and Background**

- The facility will provide three Supreme Court courtrooms and 8 Provincial Court courtrooms. It will also include three judicial conference rooms.
- There are 10 Provincial Judge chambers: 8 standard, 1 barrier free and 1 for visiting judges, in addition to a room for the judicial justice without washroom.
- There are 5 Supreme Court Justice chambers: 3 standard, 1 for supernumerary/visiting justices and 1 for a Supreme Court Master.
- The project aims to consolidate multiple justice program areas in one location to provide easier access for citizens to a broad range of services including Crown Counsel offices, community corrections, a justice access centre, court registry, a law library, barristers' lounge, and an area for public service participants.
- The potential for future expansion of the facility to incorporate two additional courtrooms has been also considered in the project design.

- Aspects of wood finishings and design, as required under the Wood First Act, have also been incorporated in the design of the Abbotsford Law Courts project.
- Emphasis has been placed on technological innovation and a robust IM/IT infrastructure to accommodate both initial operations and integration with other justice facilities, as well as being adaptable to future evolution of technologies.
- A 336 stall parkade is included to meet staff and public parking needs. There will also be separate secure parking for sheriff vehicles, with access to the accused holding area. Separate judicial parking with secure, segregated access to chambers and courtrooms will be provided.
- It is estimated that the project will create over 1,000 jobs during the course of construction.
- A Project Executive Board (PEB) provides overall governance, as required by Treasury Board. The PEB is chaired by the Deputy Attorney General with executive members from Ministry of Citizens' Services, Ministry of Justice, Deputy Solicitor General and Partnerships BC. Treasury Board staff participates as a non-voting member.
- A Community Liaison Committee has been established to engage with local MLAs and the local community leaders.
- A Chief Project Officer has been appointed to lead the project.
- Chronology
  - January 2017: Business case approved.
  - January 2017: Request for Qualification (RFQ) was publicly released in compliance with the selected DBFM procurement process.
  - May 2017: The RFQ closed with six qualified responses. RFQ evaluation involved participants from Real Property Division, the Ministry of Justice and Partnerships BC, supported by expert advisors and ensuring a transparent and fair process.



- June 2017: The Project Agreement and Request for Proposal (RFP) documentation was provided to three proponents shortlisted from the RFQ submissions.
- Nov 2017 to Jan 2018: Technical evaluation of the RFP conducted.
- March 2018: Prime proponent selected.
- May 2018: Financial close.
- Fall 2018: Excavation and construction began through a phased permitting process.
- October 2020: Substantial completion.
- January 2021: Building occupancy.

**2019/20 ESTIMATES NOTE****Adequate Funding for Courts****KEY MESSAGES:**

- The Estimates Budget for the Court Services Branch is \$115.865 M with a staff complement of 1,370 FTEs.
- The Branch received a budget lift of \$3.212 M in the February 2019 Budget.
- This funding is for mandated salary increases, a change in the benefit chargeback and to fund a temporary market adjustment for Sheriffs.
- The temporary market adjustment will help to retain Sheriffs as well as make the profession a more attractive career option for new recruits.

**FINANCES:**

- The Estimates Budget for the Branch is \$115.865 M, an increase of \$3.212 M from the restated 2018/19 Estimates Budget and can be broken down as follows:
  - \$1.315 M for a temporary market adjustment for Sheriffs,
  - \$1.086 M for BCGEU mandated salary increases,
  - \$0.483 M for the increase in the employee benefits chargeback rate, and
  - \$0.328 M for the Court Clerk wage adjustment.
- Funding has also been provided elsewhere in the fiscal plan for additional resources for the Surrey and Fort St. John Courthouse expansion/renovation, to fund Sheriffs' overtime, the Crown Led Bail Project, Victoria to Vancouver Air Escorts, the Violation Ticket Backlog Reduction Strategy and for Road Safety initiatives with the Ministry of Public Safety and Solicitor General.

**BACKGROUND:****Surrey Courthouse Expansion**

- The expansion is scheduled for opening in June 2019.
- Funding for additional resources once the expansion opens is being provided elsewhere in the fiscal plan (\$1.936 M and 28.5 FTEs).

### **Fort St John Courthouse Renovations**

- Funding for renovations at the Fort St. John Courthouse is being provided elsewhere in the plan (\$0.845 M and 4.4 FTEs).

### **Violation Ticket Backlog and the impact of Road Safety Initiatives including Intersection Safety Camera – Red light Program, Speed Activation Program and e-ticketing on Court Services Branch**

- Funding to address the Violation ticket backlog is being provided for elsewhere in the fiscal in the plan (\$1.107 M and 11.6 FTEs).
- Funding for the impact on courts of the Road Safety Initiatives including Intersection Safety Cameras, Speed Activation and E-ticketing is being provided elsewhere in the fiscal plan (\$1.309 M and 16.0 FTEs)

### **Sheriffs' Overtime**

- To meet service expectations, Sheriffs' overtime continues to be a pressure. In Budget 2019, funding of \$1.044 M is being provided elsewhere in the fiscal plan to offset this pressure.

### **Cost of transporting in-custody females and youth**

- Due to a lack of permanent facilities on Vancouver Island to accommodate in-custody females and youth, they continue to be transported between Victoria and Vancouver as they await their court appearance - \$0.476 M. This funding is being provided for elsewhere in the fiscal plan.

### **Courtroom closures:**

- During the period January 1, 2017 to December 31, 2017 there have been 18 courtroom closures and 23 delayed openings due to a shortage of Sheriff staff.
- During the period January 1, 2018 to December 31, 2018 there have been 2 courtroom closures and 8 delayed openings due to a shortage of Sheriff staff.
- The change over the last two years is evidence of the success the branch has had increasing the number of Sheriff staff.

**2019/20 ESTIMATES NOTE****Assessment of Criminal and Family  
Scheduling Timeliness****KEY MESSAGES:**

- My Ministry is committed to reducing delays and improving the timeliness of matters coming before the courts.
- We know we need to make improvements and reduce delays and are continuing to make significant progress in this area with some of our program enhancements and technology innovations.

Background

- In 2012, the *Cowper* report and the 2010 *Justice Delayed* report from the Office of the Chief Judge (OCJ) identified issues with the justice system such as it being too slow.
- Since the Provincial Court released its first Justice Delayed report in 2010, it has generally taken less time to get a criminal or family trial scheduled.
- The proportion of judicial resources devoted to criminal, civil and family matters can impact court timeliness.
- The Provincial Court implemented a new assignment court model which now increases flexibility and maximises efficiency when assigning judicial resources to cases ready to proceed to trial.
- The new OCJ Time to Trial report (September 2018) indicates delays for the time to schedule Criminal or Family Trials are exceeding OCJ established standards. Lengthier delays are partly due to a small number of court sitting days at smaller court locations that cannot accommodate larger trials. These smaller locations have difficulties reacting to caseload fluctuations.
- While we have not seen a notable increase in judicially stayed cases since the *R. v. Jordan* Supreme Court of Canada decision in 2016, BC has been diligent in monitoring stays due to systemic delay.
- The ministry is reviewing the Provincial Court Family Rules with the Provincial Court judiciary with the objective of improving the family court process.

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- The Victoria Early Resolution Prototype is set to start in May 2019 and seeks to contribute to better outcomes for families through less conflict in resolving family issues, more stable resolutions, less future involvement with family court, and reduced social and health effects.
- Key elements of family case processing timeliness include capacity, participant readiness, the implementation of more efficient processes, alternatives to court, and overall caseload trends.
- Participant readiness plays a significant part in family court timeliness, with parties enrolling in Parenting After Separation (PAS) courses after filing an application, failing to appear at hearings, or changing counsel.

## STATISTICS:

### Criminal matters

- As of September 2018, the time to schedule a criminal adult trial:
  - Less than 2 days – delay of 6.4 months (OCJ standard 6 months).
  - 2 to 4 days – delay of 8.4 months (OCJ standard 7 months).
  - 5 days or more – delay of 8.6 months (OCJ standard 8 months).
- Between January 1 and March 1, 2019, there have been zero court cases judicially stayed due to systemic delay; the figures for previous years are:
  - 2018 – 18 Provincial Court cases, 3 Supreme Court cases: 21 total.
  - 2017 – 29 Provincial Court cases, 6 Supreme Court cases: 35 total.
  - 2016 – 14 Provincial Court cases, 6 Supreme Court cases: 20 total.
  - 2015 – 18 Provincial Court cases, 11 Supreme Court cases: 29 total.
  - 2014 – 15 Provincial Court cases, 3 Supreme Court cases: 18 total.
  - 2013 – 23 Provincial Court cases, 3 Supreme Court cases: 26 total.
  - 2012 – 66 Provincial Court cases, 2 Supreme Court cases: 68 total.
  - 2011 – 111 Provincial Court cases, 11 Supreme Court cases: 122 total.
  - 2010 – 57 Provincial Court cases, 1 Supreme Court case: 58 total.

- 2009 – 44 Provincial Court cases, 3 Supreme Court cases: 47 total.

**Family matters**

- Data shows a strong correlation between scheduling delays and court hours, which is a measure of judicial resource supply.
- Between March 2011 and March 2018, the number of Provincial family court hours increased by 24%.
- Over the same period, the gap between the OCJ standard and the earliest time to Provincial Family trial has been reduced by 1.2 months.
- As of September 2018, the time to schedule a general family trial:
  - Less than 2 days - delay of 4.6 months (OCJ standard 4 months)
  - 2 to 4 days - delay of 6.8 months (OCJ standard 5 months)
  - 5 day or more - delay of 7.6 months (OCJ standard 6 months).
- As of September 2018, the time to schedule a child protection hearing:
  - Less than 2 days - current delay 4.6 months (OCJ standard 3 months)
  - 2 to 4 days - delay of 6.7 months (OCJ standard 4 months)
  - 5 days or more - delay of 7.6 months (OCJ standard 6 months)

**2019/20 ESTIMATES NOTE****Budget Pressures and Operating Resources****KEY MESSAGES:**

- The Estimates Budget for the Branch is \$115.865 M with a staff complement of 1,370 FTEs.
- The Branch received a budget lift of \$3.212 M in the February 2019 Budget.
- This funding is for mandated salary increases, a change in the benefit chargeback and to fund a temporary market adjustment for Sheriffs.
- The temporary market adjustment will help to retain Sheriffs as well as make the profession a more attractive career option for new recruits.

**FINANCES:**

- The Estimates Budget for the Branch is \$115.865 M, an increase of \$3.212 M from the restated 2018/19 Estimates Budget and can be broken down as follows:
  - \$1.315 M for a temporary market adjustment for Sheriffs,
  - \$1.086 M for BCGEU mandated salary increases,
  - \$0.483 M for the increase in the employee benefits chargeback rate, and
  - \$0.328 M for the Court Clerk wage adjustment.
- Funding has also been provided in the fiscal plan for additional resources for the Surrey and Fort St. John Courthouse expansion/renovation, to fund Sheriff's overtime, the Crown Led Bail Project, Victoria to Vancouver Air Escorts, the Violation Ticket Backlog Reduction Strategy and for Road Safety initiatives with the Ministry of Public Safety and Solicitor General.

**BACKGROUND:****Surrey Courthouse Expansion**

- The expansion is scheduled for opening in June 2019.
- Funding for the additional resources is being provided for in the plan (\$1.936 M and 28.5 FTEs).

**Fort St John Courthouse Renovations**

- Funding for the renovations at the Fort St. John Courthouse is being provided for in the plan (\$0.845 M and 4.4 FTEs).
- The renovations are underway.

### **Violation Ticket Backlog and the impact of Road Safety Initiatives including Intersection Safety Camera – Red light Program, Speed Activation Program and e-ticketing on Court Services Branch**

- Funding to address the Violation ticket backlog has been provided for in the plan (\$1.106 M and 11.6 FTEs).
- Funding for the impact on courts of the Road Safety Initiatives including Intersection Safety Cameras, Speed Activation and E-ticketing is being provided in the plan (\$1.4 M and 16 FTEs)

### **Sheriffs' Overtime**

- To meet service expectations, Sheriffs' overtime continues to be a pressure. In Budget 2019, funding of \$1 M is being provided elsewhere in the fiscal plan to offset this pressure.

### **Cost of transporting in-custody youth and females**

- Due to the lack of facilities on the Island to accommodate females and youth in-custody they must be transferred between Victoria and Vancouver as they await their court appearance (\$0.476 M in funding is being provided for elsewhere in the fiscal plan).

### **Major Trials**

- The Branch has \$0.945 M allocated for major trials and will seek funding in the plan for amounts exceeding the budget.
- Courthouse security is managed by Sheriffs who routinely evaluate threats and risks associated with court appearances and deploy Sheriffs to meet security needs.
- Major trials require additional staff due to multiple accused or high-risk offender(s) and incur significant overtime costs to meet increased security and greater logistical requirements.

### **Branch Mitigation Strategies**

- Mitigation strategies currently employed to manage staffing and salary costs:
  - Staffing actions must be approved by the ADM,
  - Overtime must be pre-approved by either the Executive Director, Superintendent or ADM depending on the nature of the overtime; and
  - Overtime is closely tracked and monitored.
- Mitigation strategies currently employed to control operating costs:
  - ADM spending restrictions implemented to ensure adherence to ministry-wide directives.



**Funding Pressures and Risks**

- **Facilities** – increasing costs associated with tenant improvements to maintain aging facilities, addressing current health and safety standards as well as finding accommodation for additional staff to meet service expectations – 2018/19 forecasted to be approximately \$0.6 million over budget. This figure does not include other investments made in courthouses related to accessibility, OSH or public furniture.
- **Serving protection orders** - \$0.100 M
- **Increase in judicial appointments** or capacity requiring additional resources (staff/overtime).
- **Increasing costs** to maintain and retrofit Sheriff's vehicles to meet safety and security requirements – 2018/19 forecasted pressure of \$0.402 M.
- **Bailiff Review** - CSB is conducting a program review of Bailiff Services. The review may result in increased expenditures in 2019/20.

**2019/20 ESTIMATES NOTE****Surrey Courthouse Project****KEY MESSAGES:**

- The Lower Fraser Valley is one of the fastest-growing regions in the province.
- The Ministry of Citizens' Services is working with its partners to provide people living in the Fraser Valley with more timely access to justice services.
- A \$33.5 M expansion of the Surrey courthouse is underway that, when complete, will improve services for citizens.
- The expansion includes three new courtrooms, two hearing rooms, administrative space and upgrades to the existing facility.

**Key Points and Background**

- The Surrey Courthouse Expansion is in direct response to priorities set in the Lower Fraser Valley Capital Plan which identified the need for increased court capacity to meet demands on the justice system in rapidly growing lower mainland communities.
- In May 2014, Treasury Board approved the renovation and expansion of the existing courthouse in Surrey to accommodate three new courtrooms, two hearing rooms, associated administrative and supporting spaces, and additional changes to the existing facility. The renovation and expansion project was approved in the Budget 2012 at a total project cost of \$33.5 M.
- In June 2016 the construction contract was awarded to Yellowbridge Contracting.
- The renovation work was conducted in seven phases to allow for continued courthouse operations.
- The renovation for all seven phases is complete, and the Ministry of Attorney General is now occupying the renovated space.
- The expansion work was substantially completed in November 2018. Subsequently, additional operational issues were identified by the judiciary and the Sheriff Services. That work is underway and expected to be completed by April 2019.

**2019/20 ESTIMATES NOTE****Technology and Program  
Innovation****KEY MESSAGES:**

- My ministry is committed to reducing delays and improving the timeliness of matters coming before the courts.
- We are continuing to make significant progress in this area with some of our program enhancements and technology innovations.
- We continue to invest in the modernization of the justice system with a focus on improving access and providing citizen-centred services.

**BACKGROUND:**

- Work continues on the Court Administration Transformation Suite (CATS 2.0) - a series of initiatives using innovative technology solutions to improve access to justice and to help reduce delays.
- We are advancing technology innovation through our court services online platform in addition to other court systems.
- Some of the initiatives we are working on include:

**1. Court Clerk Desktop (CCD)**

- A new web-based application to help staff do their work more efficiently.
- The CCD has eliminated many duplicate work processes in the registry and in the courtroom, making it easier to accurately record details about court appearances, and to produce and share documents with justice sector agencies.
- The CCD has allowed for more capabilities to be built on an innovative infrastructure to increase efficiencies such as eliminating paper documents.

**2. Online Divorce Assistant (ODA)**

- An online service was launched in July 2018 to make the divorce application process in British Columbia less complicated for individuals.

**STATISTICS:**

- Approximately 500 unnecessary trips to Court Registries eliminated in first 6 months.

- 98% of filings accepted on first attempt.
- 1600 visits to application each month.

### ***3. Access to Audio and Transcripts***

- Court Services Branch is responsible for recording all proceedings in Supreme Court and Provincial Court, both criminal and civil matters and for managing a program where, upon request, transcripts of the proceedings are produced.
- Obtaining court audio can be complex and demanding of staff time. For citizens seeking a court transcript, the cost, and time involved, can be overwhelming.
- The Access to Audio project provides an end to end electronic solution to directly access and automatically log transcript requests.

## **STATISTICS:**

- 8250 transcript orders processed using new system.

### ***4. Court of Appeal e-Filing***

- A new online tool to better support the e-Filing experience, streamline registry processes, and encourage e-Filing so the public don't have to visit the court registry.
- The new e-filing system is now live for starting appeals in the Court of Appeal.
- Benefits include a user-friendly design, leveraging existing lower court data, auto-validating data, and integration with existing court systems.
- This technology solution sets the foundation for further expansion of services to include for example divorce and other legal matters.

### ***5. Online Court Services Scheduling***

- The online court services scheduling system is intended to provide a single, unified electronic portal and repository of court services scheduling data, which will help reduce backlogs.
- This includes new systems for assigning, tracking and notifying Court resources such as Sheriffs, Court Clerks and court resources e.g., video systems and translators.
- The online scheduling system for sheriffs will be piloted this summer. The court administration component begins development this fiscal.

## **6. Courts Fees and Fines Modernization Project**

- Replacement of an aging Accounts Receivable and Collection system to administer trust payments and manage courts fees, fine revenue and receivables, which will be capable of facilitating automated collections and reconciliation processes and have the capacity to integrate with other systems.
- In addition to a complete system replacement, the Court Fees and Fines Modernisation project will:
  - Review court fees to ensure they have the appropriate authority and rate;
  - Review options with the view to improve ability to collect on revenue that is owed to Government; and,
  - Modernise the Court Fines and Fees Accounting business model.

## **7. Videoconferencing Strategy**

- The existing videoconferencing network currently supports over 350 devices and endpoints located in courthouses, correctional centres, police detachments and boardrooms around the province.
- The VC Strategy is focussed on both refreshing legacy equipment and expanding VC services in areas not yet served as well as in new uses of court videoconferencing.
- One of the projects under the VC Strategy is the Videoconferencing Suite in downtown Vancouver that can be accessed by interpreters, witnesses and duty counsel, allowing these parties to appear remotely at a court hearing.
- The videoconference suite was successfully piloted in March 2019, between Richmond traffic court and the videoconference suite.

## **FINANCES:**

- FY 18-19 capital funding of \$1.19M
- IM/IT Capital Transformation Planning, which is managed by the Office of the Chief Information Officer. All projects are on time and within budget.

**2019/20 ESTIMATES NOTE****Plan for Public Health and Gambling****KEY MESSAGES:**

- The commitments contained in the Plan for Public Health and Gambling (the Plan, 2015) were the product of collaborative work undertaken by a cross-ministry working group with representation from the Gaming Policy and Enforcement Branch (GPEB), the Ministries of Health and Education and BCLC.
- The Plan is government's response to recommendations from the Public Health Officer (PHO) Report entitled *Lower the Stakes: A Public Health Approach to Gambling in BC* (2013) and the 2014 *Problem Gambling Prevalence Study*.
- This Plan called for 21 commitments to be addressed across four areas including: Problem Gambling Prevention for Youth and Young Adults; Promoting Healthy Choices; Problem Gambling Support and Treatment Services; and, Responsible and Problem Gambling Policy and Research.
- To date, 14 commitments have been completed and seven are in progress. The remaining commitments are largely dependent on the outcomes of longer-term research to ensure that implementation is in line with best practices.

**STATUS:**

- Commitment 15 (GPEB): Update Responsible Gambling Standards to include PlayNow.com.
  - GPEB has completed substantial jurisdictional research and is in the process of drafting recommended standards with expected completion by Summer 2019.
- Commitment 10 (GPEB and BCLC): Implement GameSense Advisor (GSA) presence in Community Gaming Centres (CGCs).

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April 12, 2019

Contact: Sam MacLeod, Assistant Deputy Minister David Horricks, ED Community Supports	Tel: 778-698-3843 Tel: 778-698-2994	Mobile: s.17 Mobile:
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- This transition has now occurred and BCLC will continue to incrementally add staff to expand the GSA program to all facilities province-wide with completion anticipated by September 2019. As of the end of March, 12 CGCs have GSA service.
- Commitment 21 (GPEB and BCLC): Undertake research to estimate online gambling prevalence.
  - GPEB and BCLC have selected a research proponent and the project is underway. It is estimated that a final report will be available in the summer of 2019.
- Commitment 6 (BCLC): Develop constructive approaches to communicating 'odds' and 'return to player' on Electronic Gaming Machine (EGMs) screens to dispel myths about control and ability to win.
  - BCLC is working on providing point-of-play information on the average return to player across all EGMs in the province and directing players to seek a more detailed understanding from knowledgeable GSAs at the local GSICs by May 2019. This will entail:
    - Providing information, via iView on slot machines, on the average return to player of slot machines in BC in the past year;
    - Reinforcing this information through digital displays in facilities and social media;
    - Directing players to visit local GSICs for more information and their educational activities.
- Commitment 7 (BCLC): Beginning in 2015, BCLC will offer new time and money budgeting tools to its Encore Rewards members. Similarly, enhanced tools have been developed for implementation on PlayNow.com.
  - BCLC completed technical testing on July 22, 2018. Provincial rollout of the PlayPlanner tool is planned for Summer 2019.

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- Commitment 12 (BCLC): BCLC will implement customized responsible gambling messaging to PlayNow.com account holders as well as BCLC Encore members.
  - Research examining the ability to identify and predict key risk factors as indicators of harm will be completed by May 31, 2019.
  - Once risk factors are validated, customized messages will be developed and research conducted to measure the impact of these messages on reducing risk.
  - BCLC has an NDA in place with a company that specializes in artificial intelligence (AI) methods, and a statement of work is in development.
- Commitment 13 (BCLC): BCLC will engage an international team of researchers in a longitudinal research project to evaluate the impact of customized messaging on player behaviour.
  - This research project is pending commitment 12 that will be instructive for research design on this item. Once testing has completed, an appropriate implementation strategy will be developed.

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**2019/20 ESTIMATES NOTE****GPEB VIP Room Investigation****KEY MESSAGES:**

- Personnel working in VIP rooms at BC casinos are regularly involved in large currency transactions.
- On September 13, 2017, a casino patron and the Director of VIP Guest Relations at the River Rock Casino Resort (RRCR) were involved in a third-party suspicious currency transaction at the VIP room cash cage.
  - The investigation concluded that the Director of VIP Guest Relations was negligent or to a lesser degree complicit in facilitating the suspicious currency transaction.
  - The Director of VIP Guest Relations was deemed unsuitable for the BC gaming industry resulting in cancellation of their gaming worker registration under the *Gaming Control Act*.
- On December 13, 2018, GPEB's Corporate Registration unit (CREG) initiated further investigation into VIP operations at various BC casinos to ascertain risk mitigation strategies and solutions related to corporate registration. The investigation started at the RRCR and then expanded to include Hard Rock Casino, Parq Casino, Grand Villa Casino and Starlight Casino which are the five major casinos in the Vancouver area.
- Interviews of VIP personnel were conducted which found that personnel operate with a high level of authority and autonomy and some or all of these personnel may require registration through CREG as senior employees rather than only as regular gaming workers.
  - GPEB required a senior VIP host from each of the five casinos apply for registration as a senior employee. The due diligence background investigations on these five applicants are currently underway.

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May 1, 2019

Contact: Sam MacLeod, ADM Kim Bruce, ED, LRC	Tel: s.17 778-698-2772	Mobile: s.17
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## BACKGROUND:

- The investigation found that there were significant variances in operating procedure and staff reporting and authority between casinos operated by different service providers. A recommendation was made for BCLC to create specific VIP room policies to address these discrepancies in procedures.
  - On February 7<sup>th</sup>, 2019, BCLC issued draft Private Room and VIP Standards to the casino service providers with instructions for the service providers to develop specific policies within the parameters of BCLC's draft standards. This is being worked on between BCLC and the service providers and the finished standards and policies will be provided to GPEB to ensure they fulfill the original recommendation.
  - On March 28<sup>th</sup>, 2019, BCLC sent draft copies of the service providers Private Room and VIP policies to GPEB for comment and to ensure the original recommendations are fulfilled.
  - On May 2<sup>nd</sup>, 2019, GPEB replied to BCLC with comments and recommendations on the service provider policies and BCLC Standards.

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**2019/20 ESTIMATES NOTE****BCLC AML Update****KEY MESSAGES:**

- In addition to completing six of 11 recommendations for which it is responsible from Dr. Peter German's 2018 independent review of Anti-Money Laundering (AML) policies and practices in Lower Mainland casinos, BCLC has completed several additional AML initiatives.
- In 2018, BCLC began signing updated Operational Services Agreements (OSA) with Service Providers, which are now required to appoint a compliance officer to monitor their compliance with BCLC Standards.
- In January 2018, BCLC updated the AML Compliance Manual to reflect new FINTRAC requirements for verifying the identity of online customers before they can open a PlayNow.com account. In addition to submitting copies of ID, players' identity is also verified using information from two different, reliable independent sources.
- In January 2018, BCLC also updated several terms of its AML Compliance program for PlayNow.com in response to new guidance received from FINTRAC. Updates included enhancing casino disbursement reports and Unusual Financial Transaction (UFT)/Suspicious Transaction Report (STR) detection and reporting processes.
- Following a review of AML compliance programs at Money Service Businesses (MSBs) in B.C., BCLC ceased business ties with MSBs and implemented a March 2018 policy prohibiting patrons from using any MSB as proof of source of funds receipting. This policy prevents B.C. casinos from accepting funds sourced from MSBs, many of which are unregistered and exist as a fixture within the underground economy placing them at high-risk for money laundering and/or terrorist financing activity.
- BCLC is also in the process of determining a long-term software solution for its AML compliance regime in light of regulatory amendments by Finance Canada, which are expected to be implemented in mid-2019.

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April 29, 2019

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- In May 2018, BCLC conducted AML training sessions with Service Providers specifically addressing Source of Funds requirements and procedures.

### FINANCES:

BCLC is currently developing a Business Case and Request for Proposals for an AML software solution. BCLC's requirement is that the solution has been operationalized and implemented in casinos. Upon receiving and analyzing the proposals, BCLC will finalize cost projections.

### STATISTICS:

- BCLC German Recommendations Status Update (as at April 30, 2019):

R#	Description	BCLC Status	Status
3	That BCLC, in conjunction with the Regulator and Service Providers, review the present Source of Funds (SOF) Declaration on at least an annual basis to determine if refinements are required	Substantially Complete	Ongoing
4	That BCLC re-enforce the importance of Service Providers not accepting cash or other reportable instruments if they are not satisfied with a SOF declaration	Complete	Complete
7	That BCLC provide Corporate STRs if its files contain relevant information not contained within an STR from a Service Provider	Started	Ongoing
10	That the Regulator / DPU be provided with access to iTRAK in its offices	Substantially Complete	Ongoing
11a	That UFT reports be eliminated	Not Started	Dependent on R6
16	That BCLC not engage in further undercover operations, except in conjunction with the Regulator and/or the police	Complete	Complete
17	That no further expense be incurred by BCLC with respect to the SAS AML software system	Complete	Complete
18	That BCLC ensure VIP hosts do not handle cash or chips	Complete	Complete
21	That cash limits not be imposed on buy-ins	Complete	Complete
23	That BCLC implement a chip tracking system for Service Providers	Started	Started
R0.1 Interim	Service Providers must complete a SOF Declaration for cash deposits or monetary instruments of \$10,000 or more. This includes the requirement for customers to provide evidence of the source of their buy-in funds.	Complete	Complete

**2019/20 ESTIMATES NOTE****BCLC Budget, FTEs and Projected  
Net Income to Government****KEY MESSAGES:**

- In 2018/19, net income forecasted to government is \$1.41 billion. BCLC is expecting to exceed last year's net income by \$5 million (0.4%) and its annual net income budget as presented in the FY18/19 – FY20/21 Service Plan by \$95 million (7.3%).
- Strong revenue performance across lottery and eGaming products supported this net income growth. Casino revenue is forecasted to increase by 1% versus last year.
- BCLC is budgeting for the same net income in 2019/20 of \$1.41 billion before increasing to \$1.43 billion in 2020/21 and another increase to \$1.44 billion in 2021/22.
- 2019/20 budget figures represent responsible targets and reflect normalized operations after unforeseen events in 2018/19, like strikes affecting casinos and the launch of new initiatives such as the new Lotto Max twice/week draw enhancement in May.
- A key driver of achieving strong financial results is BCLC's portfolio of products and ability to diversify and mitigate risks across the organization.
- Despite the negative impacts on the casino business due to labour disputes in five casinos and the changing table-game landscape, net income continued to grow year over year.
- Alongside work to strengthen its anti-money laundering regime, BCLC is driving strong revenue performance through continued innovation in products such as Lotto Max and new product offerings in slots, online and land-based facilities.
- Investments to ensure the long-term health of the business will continue into fiscal year 2019/20 with increased focus on anti-money laundering enhancements and supporting the replacement of the Lottery hardware and software technology in order to continue to serve players.

- BCLC is committed to meeting its financial targets by striking the right balance between the entertainment experiences and achieving its social responsibility commitments.

**FINANCES:**

- In 2018/19, BCLC is forecasted to contribute \$1.41 billion in net income to government, on \$2.59 billion in revenue (presented as net of prizes).
- BCLC is expecting to achieve its net income for the year ended March 31, 2019 through annualization of new initiatives (online Live Casino and Parq) and capitalizing on strategic investments, primarily in the bricks and mortar and online channel of the slots business and higher than expected jackpot rolls in Lotto Max and Lotto 6/49.
- BCLC forecasts net income to be \$1.41 billion in 2019/20, reflecting increased revenues from new initiatives such as Lotto Max enhancement and normalization of revenues following the resolution of the labour disputes in certain casino facilities. This projected increase in net income is expected to be partially offset as Lotto Max and Lotto 6/49 jackpots are expected to return to historically normal levels. The net income target also reflects a year of investment in the Lottery line of business, with implementation of a revised Lottery Retailer Agreement and investments in Lottery legacy technology projects.
- BCLC projects revenue (net of prizes) to increase \$132 million or 1.7% compounded annually over the three-year period (fiscal 2018/19 to 2021/22).
- Direct costs, which include service provider and retailer commissions, lottery ticket and bingo paper printing, supplies and leases, are forecast to increase \$59 million or 2.3% compounded annually over the three-year period. The increase in direct costs is primarily a function of increase in revenue and also reflects increases due to the implementation of a revised Lottery Retailer Agreement with an enhanced retail compensation structure for lottery retailers that encourages greater compliance and service.
- BCLC projects gaming support costs to increase by \$6 million or 4.3% compounded annually over the three-year period. BCLC forecasts costs in this

area to increase in line with industry trends, as BCLC continues to make investments in technology to sustain and enhance core systems that support player experiences.

- BCLC's operating costs are projected to increase by \$12 million or 2.3% compounded annually over the three-year period. Included in this increase are the estimated operating costs required to replace lottery legacy systems, enhance AML processes and to promote player health. BCLC estimates operating costs for fiscal 2019/20 at \$177 million or 6.7% of revenue with total expenditures (not including tax) projected at \$1.17 billion.
- As of February 28, 2019, BCLC had 984 active employees.

## PROGRAM SUMMARY:

### PROGRAM AREA OVERVIEW/DELIVERABLES:

- BCLC is a Crown Agency responsible for the conduct and management of lottery, casino, bingo and online gaming on behalf of the Province, in accordance with the *Gaming Control Act* of British Columbia (2002).
- The commercial gambling industry in British Columbia is responsible for the direct and indirect employment of an estimated 37,000 people. Over 2.81 million people or 73% of the adult population play a BCLC game at least once a year.
- \$2.59 billion in revenue (net of prizes) is expected to be achieved in fiscal 2018/19.
- In 2018/19, BCLC is forecasting to earn \$1.4 billion in net income to support the public services that British Columbians count on, like health care and education.

	2016/17	2017/18	2018/19	Anticipated Trends 2019/20; 2020/21
Budget (in millions)	1,339	1,401	1,406	1,406; 1,427
FTEs	888.4	900.4	957.2	Unknown

**OTHER KEY STATS/FACTS:**

- BCLC utilizes a set of key performance measures that focus on aspects critical to the organization's performance. The measures are consistent with the *Budget Transparency and Accountability Act* and BCLC's mandate and goals.
- Target figures are from the 2019/20-2021/22 Service Plan, published February 2019.



**Goal 1: Player – we are creating an integrated player-focused entertainment company.**

Performance Measures	2017/18 Actual	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.1a Positive Play Scale: Gambling Literacy	50%	50%	52%	56%	58%
1.1b Positive Play Scale: Pre-commitment	55%	55%	56%	58%	60%
1.2a Player Experience Index	71.55	71.60	73.00	75.00	78.00
1.2b Revenue per Capita	BCLC: \$516 LQ: \$321 OLG: \$380	\$532	\$536	\$540	\$541

**Goal 2: People – we have the right talent to deliver exceptional business results.**

Performance Measures	2017/18 Actual	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
2.1a Employee Engagement	86%	86%	86%	86%	86%

**Goal 3: Public – our business and the benefits it creates are understood, trusted and supported by British Columbians.**

Performance Measures	2017/18 Actual	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.1a Public Recognition of Positive Contributions	70%	70%	72%	74%	76%
3.2a Public Perceptions of BCLC's Transparency	60%	58%	60%	62%	65%

**Goal 4: Profit – we will optimize net income through investing to sustain the long-term health of our business.**

Performance Measures	2017/18 Actual	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
4.1a Net Income (\$ millions)	1,401	1,406	1,406	1,427	1,439
Comprehensive Cost Ratio (% of Revenue)	41.7%	43.2%	44.1%	44.2%	44.4%

**2019/20 ESTIMATES NOTE****Casino Facility Developments****KEY MESSAGES:**

- BCLC has a formal process for locating and relocating casino gambling facilities that is clear, transparent and efficient.
- The Expression of Interest (EOI) process identifies local governments interested in hosting a gambling facility within a defined market area.
- Government and BCLC respect the authority of local governments to choose whether they want a gambling facility in their community.
- If the gambling facility is a relocation of a current facility, the Service Provider with the contract in the current facility remains in the new, potential facility. If it is a new, incremental facility, BCLC conducts a procurement process for the service provider contract.
- BCLC considers both First Nations and municipal governments as potential business partners and/or Host Local Governments (HLGs) for gambling facilities.
- To date, there are four First Nations governments in B.C. - Cowichan Tribes, Squamish Nation, Adams Lake Indian Band and Ktunaxa First Nation - that have entered the gambling market by becoming a casino Service Provider, a HLG or both.

**FINANCES:**

- There is no financial impact associated with the Expression of Interest process.
- Costs associated with the construction of a gambling facility in B.C. are the responsibility of the Service Provider, which owns and operates the facility. BCLC is responsible for costs to conduct and manage gambling, including those associated to gambling equipment.
- BCLC is assessing the requirements for gambling equipment at Cascades Casino Delta, expected to open in 2020.

- The details of the First Nations HLG amounts for fiscal 2018/19 are as follows:

HLG	2019 Total Payments Calculated*
Ktunaxa/Kinbasket Tribal Council Society (Casino of the Rockies)	\$1,494,224.52
Cowichan Tribes (Chances Cowichan)	\$836,371.09
Squamish Nation (Chances Squamish)	\$251,382.29
Adams Lake Indian Band (Chances Salmon Arm)	\$634,414.90
Total	\$3,216,392.80

\*GPEB is responsible for administering the payments and BCLC has not yet received its confirmation that the amounts paid match BCLC records of amounts calculated.

## STATISTICS:

### Cascades Casino Delta:

- In November 2018, BCLC approved a new gambling and entertainment facility in Delta. Cascades Casino Delta, operated by Gateway Casinos & Entertainment Limited, will feature a hotel, restaurants, meeting space, and a casino with approximately 500 slot machines, 24 table games and up to 6 electronic table games.
- Construction of the facility at the Delta Town & Country Inn site began in April 2019, with the casino expected to open mid-2020.

### Victoria:

- In 2015, BCLC launched an EOI process with six local governments in the Greater Victoria area to determine interest in hosting a potential new casino.
- BCLC selected the City of Victoria as its preferred host local government in 2016.
- In January 2019, the City of Victoria's Committee of the Whole determined to postpone indefinitely any decision regarding its interest in hosting a casino.

- On March 11, 2019, Saanich council requested staff to update a report on the feasibility of hosting a casino. BCLC continues to consider potential next steps for the region.

North Shore:

- On March 8, 2019, BCLC announced its decision to conclude its EOI process – effective April 1, 2019 – to seek a potential new gambling and entertainment facility on the North Shore.
- While one First Nation and one municipal government expressed preliminary interest in hosting a potential casino, BCLC's dialogue with the interested governments to date indicates that placement of a gambling facility in the region is not achievable at this time.

**2019/20 ESTIMATES NOTE****Ernst & Young River Rock Cheque Analysis****KEY MESSAGES:**

- BCLC commissioned the independent analysis in September 2017 following allegations in the media that patrons were entering River Rock with “dirty money,” buying casino chips, playing notionally, then cashing the chips in and receiving a cheque in return.
- The purpose of EY’s analysis was to conduct an independent and thorough review of all details of cheques issued and patterns of play at River Rock, in order to accurately address allegations in the media.
- Based on EY’s analysis, BCLC is satisfied there was no systemic pattern of money-laundering activity related to cheques being issued by River Rock Casino during the three-year period of 2014 to 2016.
- EY analyzed every individual cheque of \$10,000 or more related to table-game play. Of the 2,031 cheques analyzed, EY identified 49 cheques (2.4 per cent) that were not issued in accordance with BCLC policy. These were primarily “Verified Win” cheques issued for amounts that also included part of a patron’s original buy-in.
- In one case, a “Return of Gaming Funds” cheque was issued, contrary to BCLC policy, where no gaming play was recorded. All “Verified Win” cheques issued at River Rock during the review period were directly related to gaming activity on the same day.
- BCLC also commissioned EY to conduct a second analysis of the gaming activity of the 28 patrons who received the 49 cheques related to four defined sets of money-laundering typologies.
- Prior to EY’s analysis, BCLC had already taken action related to these players in order to mitigate the risks of money-laundering, by applying transaction

limitations, monitoring controls and reporting all suspicious activity to regulators and police. Some players were banned from all B.C. casinos.

- Since the period of review, BCLC continues to enhance anti-money laundering controls, policies and procedures to safeguard the industry from the ever-evolving risk of criminal activity.
- This includes requiring Casino Service Providers to obtain evidence of, and a signed declaration from the player setting out the source of funds for, all buy-ins of \$10,000 or more, and to record detailed information about where the customer obtained their buy-in funds.
- BCLC has commissioned a similar analysis of cheques issued by Grand Villa Casino in Burnaby during the same timeframe. The review is currently underway.

**FINANCES:**

- The total fee for the River Rock cheque analysis was \$585,000 and covered by BCLC's Legal, Compliance, Security budget.
- The EY analysis of Grand Villa is currently underway. The estimated fee is \$120,000, and will be covered under BCLC's Legal, Compliance, Security budget.

**STATISTICS:**

- N/A

**2019/20 ESTIMATES NOTE****Executive Compensation****KEY MESSAGES:**

- BCLC Executive compensation is approved by the Public Sector Employers' Council Secretariat and includes a 10% salary hold back based on performance and results.
- BCLC executives met the 2017/18 performance targets required to pay salary holdback incentives.
- BCLC's compensation policy aligns with others across the public sector.
- BCLC's 10% hold back on executive base salary is defined annually by the Board of Directors in consultation with the Minister.

**FINANCES:**

Name and Position	Salary	Holdback Incentive	Benefits	Pension	All Other Compensation **	2017/18 Total
Jim Lightbody, President & CEO	\$274,700	\$30,522	\$13,022	\$75,740	\$34,243	\$428,226
Kevin Gass, Vice President, Lottery Gaming	\$233,960	\$25,995	\$12,215	\$35,640	\$7,800	\$315,610
Bradley Desmarais, Vice President, Casino and Community Gaming	\$204,255	\$22,695	\$12,621	\$20,440	\$27,980	\$287,992
Amanda Hobson, CFO & Vice President, Finance and Corporate Services	\$209,341	\$23,290	\$12,369	\$10,140	\$21,035	\$276,175

Name and Position	Salary	Holdback Incentive	Benefits	Pension	All Other Compensation **	2017/18 Total
<b>Robert Kroeker, Vice President, Legal, Compliance Security</b>	\$206,917	\$22,991	\$12,195	\$18,340	\$10,287	\$270,731
<b>Pat Davis, CIO &amp; Vice President, Business Technology</b>	\$202,000	\$22,444	\$12,333	\$11,540	\$17,975	\$266,292
<b>Monica Bohm, Vice President, Digital Enterprise Services</b>	\$207,435	\$23,093	\$12,189	\$16,240	\$7,800	\$266,757
<b>*Susan Dolinski, VP Communications and Social Responsibility</b>	\$210,130	\$23,348	\$11,579	\$11,840	\$8,392	\$265,289
<b>Jamie Callahan, Vice President, Human Resources</b>	\$193,086	\$21,454	\$12,359	\$11,440	\$23,644	\$261,983

\*Ms. Dolinski left BCLC in November 2018. Position remains vacant.

\*\*BCLC realigned vacation payout to the end of the calendar year and, as a result, BCLC paid out unused vacation to employees twice in the 2017/18 reporting year (once in April 2017 and once in January 2018).

## STATISTICS:

- A salary freeze for management and executive employees, announced September 12, 2012, was lifted in September 2018. Any performance based increases to CEO salaries or total compensation maximums continue to require approval from the Minister responsible for the Public Sector Employers Act. As of April 1, 2014, a portion of executive base salary is held back (10 per cent for all VPs and CEO), pending achievement of annual performance objectives, as defined annually by the BCLC Board of Directors in consultation with the Minister.



**2018/19 ESTIMATES NOTE****FINTRAC Examination  
(2018)****KEY MESSAGES:**

- BCLC is committed to evolving its Anti-Money Laundering (AML) program on an ongoing basis to keep up with on-going risks, changing regulations and best practices to help ensure B.C. casinos are safe, secure and compliant.
- FINTRAC conducts periodic (bi-annual) compliance examinations to assess the effectiveness of BCLC's AML program in managing money-laundering and terrorist financing risks, and compliance with legislative requirements; the last examination occurred mid-2018.
- Compliance reviews and audits are a regular part of BCLC's business – they help identify opportunities to enhance policies and procedures and strengthen operations overall.
- FINTRAC acknowledged that BCLC has made progress in improving its AML program over the years and continues to enhance its maturity and effectiveness, however, it did make some findings and observations related to BCLC's record-keeping and reporting obligations.
- In response, BCLC created an Action Plan and addressed each of FINTRAC's observations and findings by April 1, 2019.
- BCLC is continuously improving its operations, staff training and reporting protocols to mitigate evolving risks and fulfill its federal and provincial requirements at all B.C. gambling facilities.

**FINANCES:**

- N/A

**STATISTICS:**

- N/A

**2019/20 ESTIMATES NOTE****BCLC Kamloops Head Office****KEY MESSAGES:**

- BCLC and the Province remain committed to keeping BCLC's head office in Kamloops.
- Following extensive analysis by Partnerships BC, BCLC has deferred discussion about its head office redevelopment into the future.
- Despite layout and structural limitations, analysis shows that the current facility is sound, well maintained and functioning.
- BCLC continues to monitor the Kamloops head office facility to ensure that it meets the needs of evolving business and staffing requirements and will continue to keep an open dialogue with community partners on the matter.

**FINANCES:**

- N/A

**STATISTICS:**

- N/A

**2018/19 ESTIMATES NOTE****Player Health****KEY MESSAGES:**

- BCLC has evolved its approach to responsible gambling by moving from a predominant focus on raising awareness about how to keep gambling safe, to a sharper focus on influencing safer play and reducing harms. BCLC's Player Health Plan focuses on the wellbeing of players and commits to supporting players to gamble within their time and money limits, and that players who exhibit high-risk behaviours reduce their time and money spent or stop gambling altogether.
- BCLC is undertaking several player health projects in the coming year, including: research into its Voluntary Self Exclusion (VSE) program, as well as risks associated with features of electronic gaming machines; and the introduction of PlayPlanner, a time and money management tool, to all Encore card members in B.C. by summer 2019.
- BCLC continues to enhance and expand its GameSense program with input and funding support from an expanded group of licensees across North America.
- BCLC's current fiscal year budget (2019/20) for player health and GameSense programming is \$9.3M. This includes GameSense Info Centre upgrades to accommodate expanded GameSense Advisor staffing for every casino and community gaming centre in B.C. by September 2019.
- The increase in budget is due to an additional \$1.15M budgeted for GameSense awareness programs in B.C., including quarterly marketing and advertising campaigns focused on special player populations such as seniors, Keno and online players; GameSense.com upgrades; and a retail strategy to support new GameSense Information Centres.
- The GameSense marketing budget originates from reallocated product marketing budgets from within BCLC, and there has been no increase in total marketing budgets within the corporation this fiscal year.

- The increased budget also includes final costs associated with construction and installation of GameSense Information Centres to accommodate the expansion of GameSense Advisors at all gambling facilities across B.C.

## FINANCES:

Player Health Department	2016/17	2017/18	2018/19*	2019/20*
Budget	\$3.5M Actual	\$3.2M Actual	\$6.9M Actual	\$9.3M Budget
FTEs	13	11	42	50

\*Increase in Budget and FTE count due to BCLC's management and expansion of the GameSense Advisor program, previously under GPEB.

## STATISTICS:

- BCLC develops and delivers a number of programs in support of player health, including:
  - GameSense Advisors in all casinos and, by September 2019, all community gaming centres. The GameSense Advisor (GSA) program transitioned to BCLC's management on April 1, 2018.
  - BCLC is expanding GSA staffing to all 35 gambling facilities in B.C. by September 2019.
  - Appropriate Response Training for all gaming staff.
  - A Voluntary Self-Exclusion (VSE) program for all land-based and online gambling.
  - VSE Enrollment Training for all security staff.
  - Assessing all products, marketing and promotions to reduce potential risk to players.
  - Targeted educational programming for special player populations, including parents and seniors.
  - Play management tools on PlayNow.com (pre-set deposit limits, time limits and short-term lockouts).
  - Player and public communications campaigns, via the GameSense program, giving players the information needed to make informed

choices and connect them to available resources if they feel they need help.

- An evaluation framework that measures player attitudes and behaviours and key player health metrics.
- Engaging with researchers and stakeholders to better understand the needs of players and the risks associated with gambling products and environments.
- Partnering with the Province to provide \$1.36 million in funding to support the work of the Centre for Gambling Research at UBC until 2024.

**2019/20 ESTIMATES NOTE****German Recommendation – Overall Implementation****KEY MESSAGES:**

- Our government has accepted all 48 of Dr. German's recommendations in principle and implementation is being led by government in coordination with the BC Lottery Corporation (BCLC).
- Work is underway on all recommendations, including nine that are fully completed.
- Government is currently focusing on four of the recommendations with the largest impacts to government operations: the design of an independent regulator; analysis of needs for intelligence, investigation, and enforcement; a review of the roles and responsibilities of the regulator and BCLC; and a standards-based regulator model.
- In addition, two interim recommendations Dr. German provided in December 2017 have been implemented:
  - BCLC has expanded source of funds requirements to every customer buying in with \$10,000 or more in a 24-hour period, resulting in a dramatic decrease in large amounts of unsourced cash entering casinos.
  - GPEB has hired new investigators to implement an increased presence in casinos.
- The Gaming Policy and Enforcement Branch (GPEB) has focused resources to enhance gambling enforcement by creating a new Enforcement Division that provides risk-based coverage at the five high-volume casinos in the lower mainland.
- The creation of this division allows GPEB to take a more proactive approach in its investigations and contributes to law enforcement in a more effective and meaningful way.

- BCLC has a dedicated Anti-Money Laundering Unit which continuously monitors gaming operations and activity and evolves its approach to keep pace with the ever-evolving threat of money laundering. BCLC has systems and procedures in place to detect suspicious activity, and where it suspects illegal activity, it promptly reports those circumstances to police and regulators.

**FINANCES:**

- s.17

**BACKGROUND:**

- In September 2017, Dr. Peter German was appointed to review BC's anti-money laundering practices and policies in the gambling industry.
- Dr. German's June 2018 report, *Dirty Money: An Independent Review of Money Laundering in Lower Mainland Casinos*, made 48 recommendations for preventing money laundering in BC gambling facilities.

**2019/20 ESTIMATES NOTE****German Recommendation -  
GCA Amendments  
(Roles and Responsibilities,  
Standards)****KEY MESSAGES:**

- Further changes to the Gaming Control Act will be needed to implement Dr. German's recommendations, particularly those related to creating an independent regulator, clarifying the roles and responsibilities between the regulator and BCLC, and implementing a standards-based regulatory model for gambling.
- Because many of the recommendations are complex, it is important that we take the time to implement them thoughtfully.
- The policy and legislative work is being completed with leadership from an internal Deputy Ministers' committee.

**Independent Regulator**

- The concerns identified by Dr. German around the efficacy of the regulator can be substantially addressed through changes to the *Gaming Control Act* to increase the regulator's independence and authority, and through ensuring BCLC and the regulator report to different ministers.
- Creating a Crown corporation requires significant incremental costs and other alternatives to create an independent regulator are also being reviewed.
- The model is still under review.
- This recommendation is a priority in our response to the report and all options are under review. What I can say is that the gambling regulator will become independent.



Roles and Responsibilities

- German identified the need to clarify roles and responsibilities between the regulator and the BC Lottery Corporation (BCLC) to address confusion, ensure the regulator is focused on regulatory issues, and make the regulator the regulator of all industry participants, including BCLC.
- German also recommended that anti-money laundering be a responsibility of the regulator.
- Work is underway to determine how best to delineate roles and responsibilities in statute and operations.

Standards-Based Model

- German recommended the gambling industry transition to a standards-based model, which is the model currently in place in Ontario.
- Transitioning to a standards-based model requires legislative changes and would be a significant shift in our regulatory model.
- Work is underway to determine how a standards-based regulatory approach can work in B.C.
- A significant benefit of transitioning to a standards model is to allow the regulator to set expectations for the gambling industry in policy that can be amended to meet the needs of an evolving industry.

**2019/20 ESTIMATES NOTE****German Recommendation #27 –  
Transition to an Independent  
Regulator****KEY MESSAGES:**

- In his June 2018 report, *Dirty Money*, Dr. German identified several issues that undermine the Gaming and Enforcement Branch's (GPEB) efficacy as the gambling regulator. Specifically, he had concerns with the regulator's: roles and responsibilities; independence; resourcing; focus on regulatory issues; and public confidence in the industry.
- Dr. German's recommendation (R27) was for BC to Copyright
- Creating a Crown corporation requires significant incremental costs and other alternatives to create an independent regulator are also being reviewed.
- The concerns identified by Dr. German around the efficacy of the regulator can be substantially addressed through changes to the *Gaming Control Act* to increase the regulator's independence and authority, and through ensuring BCLC and the regulator report to different ministers.
- Dr. German was consulted on the alternate approach to create an independent office for the regulator and agreed that it speaks directly to the spirit of his recommendation while also being fiscally responsible.
- This recommendation is a priority in our response to the report and all options are under review. What I can say is that the gambling regulator will become independent.
- The model is still under review.

**FINANCES:**

- Costs associated with implementing an independent regulator are dependent on the chosen model and that work is still underway.

**2019/20 ESTIMATES NOTE****German Recommendation #37 –  
Creation of a Dedicated Policing  
Unit****KEY MESSAGES:**

- Money laundering goes beyond casinos and is linked to other legal and illegal industries, including underground banking.
- In his first review, Dr. German recommended dedicated policing resources for gambling and anti-money laundering and we are working with the Ministry of Public Safety and Solicitor General to examine options.
- Since then, Dr. German has spoken about the linkages between criminal activity, money laundering, and sectors allowing high value, unsourced cash transactions.
- With this in mind, while we want to ensure that we have appropriate resources to deal with money laundering risk in casinos, we are also considering what we need to respond to money laundering in other sectors beyond the doors of casinos.
- Reviewing this recommendation from a holistic approach would allow other vulnerable industries to benefit from the support of a specialized intelligence and investigative policing unit, creating efficiencies instead of duplication or triplication.
- Taking this into consideration, we are currently working with our policing partners to identify holistic options to inform, respond, and disrupt the criminal economy in BC.
- We will also be reaching out to the regulatory community to gain their support and to play a part in ensuring the safety of all British Columbians.

**FINANCES:**

- The cost of establishing a Dedicated Policing Unit or other enforcement model will be determined as the model is developed.

**BACKGROUND:**

- Dr. Peter German's June 2018 report, *Dirty Money*, made several recommendations related to gambling police, including the creation of a dedicated policing unit to specialize in criminal and regulatory investigations arising from the legal gambling industry (R37).
- Furthermore, he recommended that the dedicated policing unit: be an integral part of regulator (R38); not be responsible for illegal gaming outside of casinos (R39); contain an Intelligence Unit (R40); draw on examples in Ontario and Nevada (R41); be responsible for anti-money laundering (R42); and be paid for by gaming revenue (R43).

**2019/20 ESTIMATES NOTE****German Review of Real Estate,  
Luxury Vehicles and Horse Racing  
Sectors****KEY MESSAGES:**

- In September 2018, Dr. Peter German was appointed to seek information and submissions from British Columbians related to areas of money laundering within real estate as well as horse racing and luxury vehicles, with a focus on identifying the scale and scope of verifiable illicit activity.
- During his review, Dr. German sought information and submissions from British Columbians related to areas of money laundering within real estate as well as horse racing and luxury vehicles, with a focus on identifying the scale and scope of verifiable illicit activity.
- This review responds to Dr. German's recommendations from his prior June 2018 report, *Dirty Money*, to undertake research into allegations of organized crime penetration of the real estate industry (R45) and researching the vulnerability of the luxury car and horse racing sectors to organized crime (R47).
- The other component of the Government's review in this area is being led by Ms. Maureen Maloney, as chair of the Ministry of Finance's Expert Panel on Money Laundering in Real Estate.
- The Panel is looking at gaps in compliance and enforcement of existing laws, consumer protection, financial services regulations, regulation of real estate professionals, and jurisdictional gaps between British Columbia and the federal government.
- The final reports from Dr. German and Ms. Maloney are being reviewed by Government and will be released publicly as soon as possible this spring.

**FINANCES:**

- s.17

**2019/20 ESTIMATES NOTE****German Review of Real Estate,  
Luxury Vehicles and Horse Racing  
Sectors – Luxury Vehicles****KEY MESSAGES:**

- In September 2018, Dr. Peter German was appointed to seek information and submissions from British Columbians related to areas of money laundering within real estate as well as horse racing and luxury vehicles, with a focus on identifying the scale and scope of verifiable illicit activity.
- There are no laws or regulations prohibiting the cash purchase of vehicles, and car dealerships are not required to report large cash transactions or suspicious transactions to FINTRAC.
- Soaring demand for high-end cars in China and much higher prices has created a grey market for people willing to purchase these vehicles in North America and ship them to China for a significant profit.
- Dr. German's latest review identifies considerable concerns within the underground export of grey market vehicles, which is intertwined with provincial legislation and sales tax rebates.
- Dr. German identified the lack of financial reporting by luxury vehicle dealers to FinTRAC as one gap that is allowing this underground market to survive.
- There are several more findings that we need to review closely in order to determine how to move forward.
- The final report from Dr. German is being reviewed by government and will be released publicly as soon as possible this spring.

**FINANCES:**

- s.17



**2019/20 ESTIMATES NOTE****German Review of Real Estate,  
Luxury Vehicles and Horse Racing  
Sectors – Horse Racing****KEY MESSAGES:**

- In September 2018, Dr. Peter German was appointed to seek information and submissions from British Columbians related to areas of money laundering within real estate as well as horse racing and luxury vehicles, with a focus on identifying the scale and scope of verifiable illicit activity.
- Dr. German does not currently view horse racing in BC to be a money laundering risk, but he does identify vulnerabilities based on the lack of reporting from this sector to FinTRAC, lack of AML training, or enforcement oversight.
- The final chapters of the report from Dr. German are being reviewed by government and will be released publicly as soon as possible this spring.

**FINANCES:**

- s.17

**2019/20 ESTIMATES NOTE****ICBC Financial Update****KEY MESSAGES:**

- ICBC is projected to incur a net loss of \$1.18 billion in the 18/19 fiscal year. The ongoing net losses are clear evidence that the rising cost of claims – particularly litigated injury claims – is unsustainable.
- These costs have been spurred by pressure from increased injury claim legal representation, larger payouts, and the rise in large and catastrophic injury claims.
- Major reforms to the basic insurance product were introduced April 1, 2019 and are anticipated to save approximately \$1 billion per year.
- These changes are already helping: without them, ICBC's recent basic rate increase application would have needed to be almost 40 per cent (or approximately \$360 more per year for every customer), instead of 6.3 per cent (or approximately \$60 more per year for every customer).
- Government will continue to work with ICBC to bring ICBC to fiscal stability and to ensure auto insurance rates are as low as possible

**BACKGROUND:**

- ICBC reported a net loss of \$860 million for the first nine months of its current fiscal year (April 1 to December 31, 2018) as the pressures caused by the rising cost of claims continues to escalate. As a result of this worsening trend, ICBC is now projecting a year-end net loss of \$1.18 billion. ICBC's Statement of Operations for the nine months ended December 31, 2018 with prior year comparatives is attached below.
- Net claims incurred for the first nine months of ICBC's current fiscal year were \$602 million higher than the same period last fiscal year mainly due to a higher emergence of large loss bodily injury claims which run into hundreds of thousands of dollars each, as well as a continued increase in the average cost

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per claim and lower closure rates, particularly on represented claims. The higher emergence of large bodily injury claims also resulted in the net loss for the optional insurance line of business.

- Current year claims for the first nine months of fiscal year 2018/19 were \$279 million higher than the prior year primarily due to the increased cost per claim of bodily injury claims and material damage claims.
- The cost of injury claims is the single biggest factor impacting basic insurance rates. Injury claims costs have soared by 43 per cent in just five years, and are projected to total \$3.75 billion in 2018 alone.
- The average cost of litigated injury claims, in particular, has spiked this past year – increasing by 19 per cent between the first nine months of 2017/18 and of 2018/19.
- The upcoming reforms (see Estimates Note 2.1 for details) to the auto insurance system in BC, implemented April 1, have had a positive impact on ICBC's financial results, as reflected in the deferred premium acquisition costs adjustment.
- ICBC's investment income, which is relied on to help mitigate the pressure on insurance rates, has been unfavourably impacted by lower than expected capital gain and income distributions from pooled equity funds and asset impairments.
- ICBC continues to manage the company efficiently as indicated by the low expense ratio, which continues to be significantly lower than industry benchmark.
- ICBC's Minimum Capital Test ratio, an industry measure used to determine whether a company has sufficient capital levels, is significantly lower than last year as a result of the continuing deterioration of our capital levels due to the overall net loss.

**STATISTICS:**

- The statement: Injury claims costs have soared by 43 per cent in just five years, and are projected to total \$3.75 billion in 2018 alone is based upon a calendar view of data from 2014-2018, as of Q3 2018. Current data in fiscal year view (from 2014/15 to 2018/19), as of Q3 2018/19 restates the statement as follows: Injury claims costs have soared by 34 per cent in just five years, and are projected to total \$3.65 billion in 2018/19. Once 2018/19 year end data has been finalized, ICBC will shift to reporting injury claims costs to fiscal view.

**CROSS REFERENCE:**

- **ICBC 2.1**– Product Reform



## Statement of Operations

For the Nine Months Ended December 31, 2018 and 2017 <sup>1</sup>

	Basic		Optional		Corporate	
(\$ Millions)	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Premiums written	\$ 2,682	\$ 2,500	\$ 1,981	\$ 1,744	\$ 4,663	\$ 4,244
Premiums earned	2,574	2,383	1,821	1,640	4,395	4,023
Service fees and other income	57	52	36	33	93	85
<b>Total earned revenues</b>	<b>2,631</b>	<b>2,435</b>	<b>1,857</b>	<b>1,673</b>	<b>4,488</b>	<b>4,108</b>
Current year claims	2,835	2,561	1,256	1,251	4,091	3,812
Prior years' claims adjustments	421	251	344	191	765	442
Net claims incurred	3,256	2,812	1,600	1,442	4,856	4,254
Claims services, road safety and loss management services	209	195	100	101	309	296
<b>Total claims and related costs</b>	<b>3,465</b>	<b>3,007</b>	<b>1,700</b>	<b>1,543</b>	<b>5,165</b>	<b>4,550</b>
Administrative and insurance expenses	92	90	116	103	208	193
Premium taxes and commissions	168	157	353	315	521	472
Deferred premium acquisition costs adjustment	(200)	159	(32)	(30)	(232)	129
<b>Total claims and expenses</b>	<b>3,525</b>	<b>3,413</b>	<b>2,137</b>	<b>1,931</b>	<b>5,662</b>	<b>5,344</b>
<b>Underwriting loss</b>	<b>(894)</b>	<b>(978)</b>	<b>(280)</b>	<b>(258)</b>	<b>(1,174)</b>	<b>(1,236)</b>
Investment income	286	267	121	129	407	396
<b>Loss - Insurance operations</b>	<b>(608)</b>	<b>(711)</b>	<b>(159)</b>	<b>(129)</b>	<b>(767)</b>	<b>(840)</b>
Provincial licences and fines	472	470	-	-	472	470
Less:						
Licences and fines transferable to the Province	472	470	-	-	472	470
Non-insurance operating expenses	70	71	-	-	70	71
Commissions	23	24	-	-	23	24
<b>Total non-insurance expenses</b>	<b>565</b>	<b>565</b>	<b>-</b>	<b>-</b>	<b>565</b>	<b>565</b>
<b>Loss - non-insurance operations</b>	<b>(93)</b>	<b>(95)</b>	<b>-</b>	<b>-</b>	<b>(93)</b>	<b>(95)</b>
<b>Net loss before income transfer</b>	<b>(701)</b>	<b>(806)</b>	<b>(159)</b>	<b>(129)</b>	<b>(860)</b>	<b>(935)</b>
Income transfer	-	99	-	(99)	-	-
<b>Net loss after income transfer</b>	<b>\$ (701)</b>	<b>\$ (707)</b>	<b>\$ (159)</b>	<b>\$ (228)</b>	<b>\$ (860)</b>	<b>\$ (935)</b>
<b>Insurance Industry Ratios</b>						
%	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Loss ratio	134.6	126.2	93.4	94.1	117.5	113.0
Expense ratio	13.9	14.6	25.1	25.4	18.6	19.0
Combined ratio	140.8	147.4	117.4	117.7	131.1	135.3

<sup>1</sup> The quarterly financial results are unaudited and contain a number of estimates and assumptions regarding claims costs and savings. Final year end results will be subject to audit.

**2019/20 ESTIMATES NOTE****ICBC Capital Levels****KEY MESSAGES:**

- Government and ICBC continue to focus on the urgent task of pursuing significant reforms to our vehicle insurance system to ensure life is affordable for British Columbians.
- ICBC is projected to incur a net loss of \$1.18 billion in the 18/19 fiscal year. The net loss is reflective of the rising cost of claims which have been spurred by pressure from plaintiff counsel, increased injury claim legal representation, larger payouts, and the rise in large and catastrophic injury claims.
- Due to the rising cost pressures and limits to basic insurance rate increases over the past several years to keep rates affordable, basic capital levels have significantly decreased.
- Optional capital levels are also well below Management target due to the transfers to basic insurance and greater emergence of large and complex claims in recent years.
- In 2016, government suspended ICBC's capital maintenance and capital build components in basic insurance rate changes. This suspension ends after fiscal 2020/21 and ICBC will look to rebuild then, but it is expected to take a number of years for basic capital to rebuild.
- This government is working to ensure that ICBC returns to financial stability and is financially sustainable for the benefit of all British Columbians.

**FINANCES:**

- For the nine months ended December 31, 2018, ICBC reported a net loss of \$860 million, a corporate MCT of -17% and a basic insurance MCT ratio of -6%. The basic insurance MCT ratio is forecast to further decrease to -12% at fiscal year-end.

- In ICBC's 2019/20 – 2021/22 Service Plan, tabled in February 2019, ICBC's net loss for the full fiscal year 2018/19 is forecast to increase to \$1.18 billion.
- Mitigation measures are being undertaken in response to the deteriorating financial position due to escalating claims cost pressures. Major product reform has been implemented April 1, 2019. ICBC estimates the benefits of product reform to be over \$1 billion per year. Additional measures include changes to court rules, limiting the number of experts and expert reports permitted in relation to motor vehicle injury litigation, a refresh of ICBC injury claims management and litigation strategy, changes to ICBC's material damage program and road safety initiatives. By reducing claims costs, these mitigation measures will help limit the amount of rate increase that will be required to rebuild capital.
- The current financial outlook relies on optional insurance business profitability and also assumes basic insurance rates are set to cover costs. ICBC is forecast to return to net profit in fiscal 2020/21. Further initiatives / actions may be necessary to return ICBC to financial stability in order to avoid ongoing significant rate increases for British Columbians.
- In March 2013, government approved a change to Special Direction IC2 for setting Basic rates, referred to as rate smoothing. Rate smoothing mitigates the volatility in annual basic rate changes for customers by using ICBC's capital to absorb potential rate spikes. It limits the basic rate changes to be within 1.5 percentage points of the prior year's rate increase.
- When the suspension to ICBC's capital maintenance and capital build components in basic insurance rate changes ends after fiscal 2020/21, the rate smoothing framework will further limit how quickly ICBC can rebuild capital.
- It is important to note that ICBC continues to have positive operating cash flow and sufficient investment assets to cover its claims liabilities.
- In the past, ICBC's basic insurance MCT ratio has been bolstered by transfers from the optional insurance business. However, there is no longer optional insurance capital available to transfer to basic insurance during the plan

period. ICBC's basic insurance MCT ratio cannot be increased without a significant increase in basic insurance premium rates that would be unaffordable and unacceptable to the general public.

**BACKGROUND:**

- The Minimum Capital Test (MCT) is a federal regulatory solvency test to assess whether an insurance company has adequate capital for the level of risks undertaken by the company. MCT is a ratio of capital available to capital required and is not expressed as a dollar value.
- Capital available, simply put, is the net equity position of the company, less tangible assets. Capital required is calculated using specified margins on certain assets and liabilities. As such, it's important to note that MCT is not a ratio of assets to claim liabilities (100% MCT does not mean that for every \$1 of claims liabilities, ICBC has \$1 of assets).
- The higher the ratio, the better is a company's ability to withstand the risks and unexpected events that insurance companies face. These risks include unexpected changes in crash rates, injury claiming rates or significant increases in large and complex claims, and the adverse trends that have impacted ICBC.



**2019/20 ESTIMATES NOTE****2019 BCUC Rate Application****KEY MESSAGES:**

- The British Columbia Utilities Commission (BCUC) has approved ICBC's application for a 6.3 per cent increase to basic insurance rates on an interim basis for all new and renewal policies with an effective date on or after April 1, 2019.
- The escalating cost of injury claims is the single biggest factor impacting basic insurance rates.
- Government and ICBC have responded to these challenges by putting in place major reforms to the auto insurance system in B.C. to reduce the burden that rising claims and legal costs are putting on the insurance rates British Columbians pay.
- These changes are already having an impact on insurance rates – without them, every vehicle owner in B.C. would have been faced with an approximate \$360 increase to their basic insurance rates.
- Major changes are also being put in place so that, from September of this year, drivers are held more accountable for their driving decisions.

**BACKGROUND:**

- The approval of ICBC's basic rate change on an interim basis is consistent with past applications.
- Injury claims costs have soared by 43 per cent in just five years; projected to total \$3.75 billion in 2018 alone.
- These costs have been spurred by:
  - Increased injury claim legal representation,
  - Larger payouts and disbursement costs, and
  - The rise in large and catastrophic injury claims.

- B.C. is the last province in Canada to introduce some form of restrictions to address rising minor injury claims payouts.
- The significant reforms will reduce costs by introducing a limit on payouts for pain and suffering for minor injuries and a new dispute resolution model, while at the same time providing substantially increased care and medical benefits for anyone who is injured in a crash.
- These changes are projected to bring in net savings of over \$1 billion annually to ICBC – without these changes, British Columbians would be paying more for their basic insurance.
- Government and ICBC are also modernizing ICBC's 30 year-old insurance model to ensure drivers pay premiums which better reflect the risk they represent on the road. ICBC applied to the BCUC to approve rate design changes to improve rate fairness. The BCUC approved these changes in September 2018 with the majority of changes to come into effect on September 1, 2019.
- The goal of the new model is to ensure drivers pay premiums which better match their risk. Under the new model, at-fault crashes are tied to the driver and not the person who owns the vehicle. Other benefits include increasing basic insurance discounts for drivers with up to 40 years of driving experience, up from the current limit of nine crash-free years.

#### STATISTICS:

- The statement: Injury claims costs have soared by 43 per cent in just five years, and are projected to total \$3.75 billion in 2018 alone is based upon a calendar view of data from 2014-2018, as of Q3 2018. Current data in fiscal year view (from 2014/15 to 2018/19), as of Q3 2018/19 restates the statement as follows: Injury claims costs have soared by 34 per cent in just five years, and are projected to total \$3.65 billion in 2018/19. Once 2018/19 year end data has been finalized, ICBC will shift to reporting injury claims costs to fiscal view.

**2019/20 ESTIMATES NOTE****ICBC – 2019/20-2021/22 Service Plan****KEY MESSAGES:**

- It's true that ICBC's 2018/19 forecast net loss figures are significant, but major reforms have projected that ICBC will be back in the black by 2020/21.
- Major product changes began on April 1<sup>st</sup>, including a limit on pain and suffering payouts for minor injury claims and a new dispute resolution process through the Civil Resolution Tribunal, are projected to save about \$1 billion per year.
- We believe the product changes and other significant reforms - including changes to how drivers' basic insurance premiums are determined, the modernization of ICBC's collision and glass repair programs, and the delivery of new road safety initiatives - will help achieve the outcomes British Columbians deserve, namely affordable car insurance, safer roads and a public insurer that isn't losing money.
- However, as with any projections, the achievement of these results will depend on factors and future trends that are difficult to predict, and which make long-term forecasts uncertain.
- Government will continue to consider measures to improve the province's auto insurance system, informed by the experience in other jurisdictions and ongoing evaluation of reforms implemented to date. We are prepared to act if even further action is required.

**BACKGROUND:**

- On April 1, 2019, major changes were implemented to help manage the increasing costs of injury claims and refocus the system on injury recovery. Changes include increased accident benefits for injured customers, limits on minor injury claim payouts for pain and suffering, and a new alternative dispute resolution system (Civil Resolution Tribunal).
- ICBC is also changing the design of basic insurance premiums with the goal of

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[April 1, 2019]

ensuring good drivers pay less, and bad drivers pay more.

- ICBC is committed to making B.C. roads safer and will continue to build on successful road safety programs, including:
  - Upgrades to key Intersection Safety Camera locations to capture the worst speeding offenders.
  - Working with the Ministry of Transportation and Infrastructure on a collision reduction surface treatment program at locations with a high frequency of rear-end crashes.
  - Looking at technology to help fight distracted driving, including piloting a telematics project to determine whether technology can improve road safety and change driver behaviour.

**FINANCES:**

- The net loss for fiscal 2018/19 is forecast to be \$1.18 billion, a slight improvement from the net loss of 1.3 billion for fiscal 2017/18.
- Summary financial outlook of ICBC 2019/20-2021/22 Service Plan:

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**2019/20 ESTIMATES NOTE****ICBC's 2017/18 Executive  
Compensation Disclosure****KEY MESSAGES:**

- I understand the concerns British Columbians have around executive compensation and bonuses at Crown Corporations and this is a topic our government is making progress on.
- When you inherit the situation like we did at ICBC, you inherit contracts that were previously signed, that included additional compensation.
- I can tell you that no current ICBC executive received their full compensation this past year because obviously the financial performance of the corporation was not adequate. Added to this, the number of executives is also lower, so progress has been made under this government.
- Overall, executive salaries make up a very small portion of ICBC's costs, which are largely attributed to the rising number and cost of claims, particularly injury claims.
- Ultimately, Crown corporations set compensation within a framework established by government to maintain consistency across the BC Public Sector, and at the same time to try and maintain a competitive total compensation program with comparable external labour markets to ensure they can attract and retain talented staff.
- Releasing information on remuneration and expenses at all Crown corporations will remain part of this government's commitment to being open and accountable.

**BACKGROUND:****Executive Compensation**

- ICBC's CEO plus the next four highest-ranking/paid executives from April 1, 2017, to March 31, 2018, were:

<b>NAME</b>	<b>TOTAL COMPENSATION</b>
N. Jimenez (CEO)	\$382,132
G. Prior	\$415,685
B. Carpenter	\$404,469
K. Parslow	\$397,768
A. Gould	\$369,320

- Overall, total executive earned compensation for the ICBC's CEO plus the next four highest-ranking/paid executives in 2017/18 decreased by approximately four per cent from 2016/17.
- The CEO and two named executive officers received higher compensation in 2017/18 than 2016/17 for the following reasons:
  - Nicolas Jimenez was appointed Interim President & CEO effective December 30, 2017. His 2017/18 salary includes an acting pay allowance. His holdback pay is calculated on salary excluding any acting pay allowance.
  - Bill Carpenter's total compensation represents his first full year of earnings in his role. He was appointed Chief Actuary and Chief Financial Officer effective July 21, 2016.
  - Kathy Parslow's total compensation also represents her first full year of earnings in her role. She was appointed Vice President Claims and Driver Licensing effective July 21, 2016.
- Geri Prior left her position as ICBC's Chief Financial Officer effective June 1, 2016 and was on working notice until November 30, 2017.
- Mark Blucher ended his term as President and CEO of ICBC on December 29, 2017, to pursue an external opportunity. As his term ended voluntarily, no severance pay was issued. Based on his tenure and end date, he was not eligible for salary holdback. Mr. Blucher was paid his earned salary and any

outstanding earned time in his final pay.

### **Salary holdback**

- Starting in 2017/18, the Board and previous government approved the elimination for the salary holdback program for employees below the director level. <sup>s.17</sup>

s.17

- s.17

- The escalating external pressures on ICBC's rates impacted its corporate performance in 2017/18, meaning ICBC achieved two of the three corporate measures – <sup>s.17</sup>

s.17

- Only one member of the executive group, Alison Gould, Chief Investment Officer, received the maximum earnable salary for her role. The salary holdback for this position is based on the performance of ICBC's investment portfolio which performed well despite challenging market conditions. No other executive received their maximum earnable salary – including ICBC's CEO.
- A hold back program is different than an incentive plan. In an incentive plan, there is an opportunity to earn additional compensation dollars which is typically calculated as a percentage of base salary and based on achievement of corporate and individual performance results. In a holdback program, a "maximum earnable salary" is determined and then a percentage of that total is "held back" until specific corporate and individual performance measures are achieved.

### **Make-up of ICBC's executive team and senior management**

- ICBC has made significant strides in getting its executive compensation down over the last five years. ICBC's executive team has decreased since 2012 – from 11 members 2012 to just eight as of March 31, 2018.



- There have also been reductions in the number of senior management roles overall – since 2012, senior management roles (VPs, Senior Directors and Directors) have been reduced by 39 per cent (72 in 2012 to 44 in 2017/18).

### Board Remuneration

- The Board Remuneration discloses the retainers, total number of meetings attended, total meeting fees and per diem fees of all Board members paid in the 12-months from April 1, 2017, to March 31, 2018.
- Total Board of Director payments increased in 2017/18 by approximately 5 per cent over the prior reporting year (\$290,702 in 2017/18 compared to \$277,757 paid out in 2016/17).
- The Board Chair's compensation was higher than the prior fiscal year for the following reasons:
  - i) As Board Chair, Mr. Penner attended most committee meetings during this fiscal year for all board committees;
  - ii) Mr. Penner chaired the special committee responsible for overseeing an external review of ICBC which led to the EY report, *Affordable and effective auto insurance – A new road forward for British Columbians*.
  - iii) In consideration of the Board of Directors' unique role in overseeing the external review of ICBC without involvement of Management, Mr. Penner was also provided written authority from the Ministry responsible for ICBC to receive special compensation to bill meeting fees for time spent working on the EY Report, even where there was no formally recorded meeting. The fees were also reviewed and approved by Ministry staff.

**2019/20 ESTIMATES NOTE****ICBC RAAP – Product Reform****KEY MESSAGES:**

- ICBC is projecting a net loss of \$1.18 billion in fiscal 18/19. The ongoing net losses are clear evidence that the rising cost of claims – particularly litigated injury claims – is unsustainable.
- Last year, this government introduced legislation and regulation, to help close the gap between the premiums ICBC is collecting and the cost of the claims they are paying out. These changes came into effect on April 1 and include:
  - Significant increases to accident benefits available to anyone injured in a crash. These benefits had been left untouched since 1991.
  - A limit of \$5,500 on pain and suffering payouts for minor injuries and the Civil Resolution Tribunal (CRT) to now handle disputes over motor vehicle injury claims under \$50,000.
- These changes redirect payments away from legal costs and towards significantly enhancing care and treatment; and are expected to save more than \$1 billion annually when fully implemented.
- B.C. is the last province in Canada to introduce some form of restriction on minor injury payments. And it's important to remember the definition of a minor injury only applies to compensation for pain and suffering – one small element of an individual's total claim.

**If asked about the definition of a minor injury**

- We have the benefit of being the 'last mover' in this area, and were able to learn from other jurisdictions about how best to find a balance between a definition that is fair to injured people, and yet stringent enough to achieve the financial savings necessary for ICBC.
- Minor injuries that are subject to the limit on pain and suffering include: sprains, strains, general aches and pains, cuts, bruises, road rash, persistent pain, minor whiplash, pain in your jaw joint and in the muscles that control jaw movement, mild concussions and short-term mental health conditions.
- If a minor injury causes serious impairment for beyond 12 months, it will no longer be subject to the limit on pain and suffering. In the case of concussions

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[March 31, 2019]

and mental health conditions, there is no limit on pain and suffering if there is a significant incapacity beyond 16 weeks – as defined in the regulations.

If asked who decides if an injury is minor

- Diagnosis will remain in the hands of medical experts, not ICBC. A doctor — not ICBC — will diagnose injuries and ICBC will use this to assess whether the injury is minor or not, based on the minor injury definition found in the regulations.

If asked about concerns over minor injury claim disputes

- Customers with concerns about ICBC's decision on how their injury has been defined or the accident benefits offered, will be able to utilize a new dispute resolution process through the CRT.
- By empowering the CRT to resolve certain disputes regarding motor vehicle injuries, this gives people easier, faster and less expensive access to justice.

If asked if people can still hire a lawyer

- These changes do not impact anyone's ability to seek legal representation for any type of claim – minor or non-minor.
- The limit on compensation only applies to minor injury claims and it only impacts the pain and suffering portion of the claim. Medical and wage loss benefits are not impacted. The right to seek compensation in other areas, such as economic losses, remains for injured people who are not at fault for a crash.

**BACKGROUND:**

- Significant improvements to care and treatment as of April 1 include:
  - Wage loss payments: increased 147%; from \$300 to \$740 per week.
  - Homemaking benefits to assist with household tasks, such as cooking, cleaning and grocery shopping, increased 93%; from \$145 to \$280 per week.
  - Funeral costs increased 200%; from \$2,500 to \$7,500.
  - Death benefits, which include payments to surviving family members, increased 67% from approximately \$18,000 to \$30,000.
  - Introduced: A new benefit of \$1,000 in additional coverage for necessary medical supplies and services, which were not previously covered, such as naturopathic treatments, foam rollers or compressions stockings.

**2019/20 ESTIMATES NOTE****Basic Rate Design Changes****KEY MESSAGES:**

- This government and ICBC continue to focus on the urgent task of pursuing significant reforms to our vehicle insurance system to make life more affordable for British Columbians.
- One of the biggest ways we can improve B.C.'s car insurance is changing the way premiums are set.
- Starting September 1, 2019, ICBC is changing the way it determines basic insurance premiums to help make sure drivers are more accountable for their driving decisions.
- These changes do not increase or reduce the overall amount of money ICBC needs to collect but rather rebalances individual drivers' premiums. It helps create a system where premiums better reflect the actual risk drivers represent.

**If asked about why the changes are needed:**

- ICBC's current basic automobile insurance model hasn't seen significant updates in more than 30 years. As a result, some drivers who cause crashes are paying the same as drivers who have never caused a crash. Currently:
  - Claims follow the vehicle owner, even if someone else was driving their car and caused a crash.
  - The model does not adequately reflect the risk associated with claims and driving experience; 80% of B.C. customers receive the maximum discount on their basic premium.
  - Over 40% of claims are forgiven each year due to crashes caused by drivers who are at the maximum discount. As a result these drivers can have multiple at-fault crashes, even three within one year, with no impact on their basic insurance premiums.
  - ICBC data related to territories (where you live or use your vehicle) and rate class (how you use your vehicle) is more than 10 years old. The difference in crash rates between territories and rate classes has changed

over time due to differences in traffic density, population growth and changes in infrastructure within each segment. Some communities have raised concerns to ICBC in the past on the territory boundaries being out dated.

If asked about changes to restructure ICBC's territories:

- Restructuring a boundary may at first appear beneficial for those living within a territory; however, the change could actually create a shortfall in the overall basic premiums collected. As a result, some customers could end up being charged more in order to maintain revenue neutrality. Changing the boundaries of territories requires an in-depth analysis.
- Territories are only one factor in the insurance rating system. Other factors include: how you use your vehicle, an individual's driving experience and claims history, the type of coverage, the vehicle a person drives, among others.

If asked how much lower (or higher) will premiums be with these changes:

- For customers renewing their basic insurance between September 1, 2019, and March 31, 2020, approximately 25% of drivers will actually start to see their Basic rates decrease, 42% will see an increase of between zero to 6.3% and 33% will see an increase of more than 6.3%. This includes the recent 6.3% interim basic insurance rate increase.
- The impact on a customer's premium depends on many factors, such as claims history, driving experience, how they use their vehicle and where they live.

If asked about listing drivers and Unlisted Driver Protection:

- British Columbians will have options to protect themselves from a potential one-time financial consequence should someone else cause a crash while driving their vehicle.
- British Columbians will be asked to list who drives their vehicle. If they want to occasionally lend their vehicle out to an incidental unlisted driver (e.g. helping a friend move), the Unlisted Driver Protection will protect them from a potential one-time financial consequence should that unlisted driver cause a crash.

**2019/20 ESTIMATES NOTE****Civil Resolution Tribunal****KEY MESSAGES:**

- Customers with disputes about their minor injury claims resulting from accidents that occur after April 1, 2019 now benefit from a new independent dispute resolution process through the Civil Resolution Tribunal (CRT).
- The CRT is independent from ICBC and will reduce reliance on the courts and the legal system to help settle minor injury claim disputes so there are faster decisions for customers.
- The CRT process will ensure a neutral, expert third-party helps to resolve minor injury claim disputes.

**Benefits of the CRT**

- The CRT process is affordable, accessible and efficient, and can be navigated without the need for legal representation, meaning the customer's settlement is not subject to lawyer contingency fees. However, should a customer choose to do so, they still have the ability to hire a lawyer.
- It should also be much faster and will help to reduce the legal costs which are contributing to the increasing year-over-year cost of auto insurance in B.C.
- The CRT has implemented procedural changes and increased resources to accommodate these changes.

**BC Supreme Court role**

- If a party is not happy with the decision of the CRT, the party can ask the Supreme Court of B.C. for judicial review.

**BACKGROUND:**

- Legislation in the *Civil Resolution Tribunal Act* expanded the CRT's scope as of April 1 to include making decisions on the following matters where the driver has concerns related to their ICBC claim:

- The determination that an injury is a minor injury.
- The entitlement to receive Accident Benefits claimed.
- Decisions around who is responsible for the crash and damage amounts for all injury claims below a threshold that does not exceed \$50,000.
- The CRT is Canada's first online dispute resolution tribunal, and provides timely, accessible, and inexpensive dispute resolution, focussed on helping parties reach an agreement wherever possible. The CRT already resolves strata property and small claims disputes and has handled more than 9,500 disputes since 2016.
- The CRT adjudicators are independent of ICBC, will have expertise in motor vehicle accident claims, will assist the parties through the process, and will provide fair, fast resolution, without requiring the involvement of a lawyer.
- Fees to use the CRT are far more cost-effective than retaining a lawyer. It is a new independent option in addition to ICBC's current internal dispute resolution process.
- The CRT already helps people to resolve small claims disputes of \$5,000 and under, and strata property (condominium) claims of any amount quickly and affordably. It also encourages a collaborative approach to dispute resolution and is available 24/7.
- The CRT has been consulted throughout this process and is confident it can take on this additional work.
- Of the \$1 billion annually that ICBC is projected to save as a result of product reform, ICBC expects that about \$100 million will be a direct result of moving to an alternative dispute resolution model.

#### CROSS REFERENCE:

- **JSB 2** – Civil Resolution Tribunal
- **PS\_JS\_B 4.2** – Civil Resolution Tribunal

**2019/20 ESTIMATES NOTE****Jurisdictional Insurance Comparison****KEY MESSAGES:**

- You can travel across Canada and find a range of public and private auto insurance and diverse arguments both for and against each system.
- While comparisons between provinces are common, there is no way to really compare auto insurance rates from one province to another as the systems, demographics, roads and coverages vary widely. We know some provinces offer lower-priced auto insurance, but others offer higher-priced auto insurance – including some provinces with private auto insurance.
- However, the conversation should not just be what you pay for your auto insurance, but what coverage you get in return. For example, customers' medical and rehabilitation benefits in B.C. are much higher than those offered in many other provinces, including those with private insurance.
- In 2018, this government announced changes that substantially increased benefits for those injured in a crash, while placing a \$5,500 limit on pain and suffering payouts for minor injuries effective April 1, 2019, bringing B.C. in line with most other jurisdictions in the Western world.
- We believe our public auto insurance system in B.C. works for a number of reasons, but mainly to ensure that all drivers in British Columbia have the same access to auto insurance, which protects them as well as all other road users. As a result, B.C. has an estimated uninsured rate of less than one per cent – much lower than other jurisdictions in North America with rates ranging from four to 20 per cent.

**BACKGROUND:**

- Comparing ICBC's rates to those offered in other provinces is difficult because insurance systems vary between provinces and jurisdictions, with each providing different coverage. Factors like population and driving conditions can also impact the cost and number of claims.



- The products and systems are so different between provinces that a comparison isn't possible. For example:
  - **Alberta** has a cap of just under \$5,202 on tort awards for pain and suffering in minor injury cases and a smaller amount available for Accident Benefits (\$50,000 as compared to \$300,000 in BC)
  - **Ontario** is a blend of no-fault and tort, meaning an injured motorist can only sue in tort for pain and suffering in cases of permanent and serious injury, and Accident Benefits are available on a sliding scale, ranging from \$3,500 for minor injuries to \$1M for catastrophic injuries. There are no caps on soft tissue injuries, but these are subject to a deductible.
  - **Manitoba** is no-fault, meaning an injured motorist cannot sue for pain and suffering or economic loss. There are no limits to Accident Benefits, which include rehab.
- The fact is motorists in B.C. currently benefit from some of the best insurance coverage in the country. For example, medical and rehab benefits (\$300,000) are up to six times more than offered by most other provinces (Alberta, New Brunswick and Nova Scotia offer \$50,000).
- In February 2018, government announced significant increases to accident benefits available to anyone injured in a crash. Overall allowance for medical care and recovery costs were doubled to \$300,000 and made retroactive to January 2018. These benefits had been left untouched for more than 25 years and will put funds back into treatment and recovery and provide better care after an injury.
- Effective April 1, 2019, a limit of \$5,500 on pain and suffering payouts for minor injuries and a new dispute resolution process for minor injury claims has also been implemented. B.C. is the last province in Canada to introduce some form of restriction on minor injury payments.
- Other benefits such as wage loss payments, home support, alternative therapy, funeral costs and death benefits are also increasing significantly. User fees for

services such as physio or chiropractic treatment will be eliminated or significantly reduced and more types of services will be covered, so customers won't have to pay out-of-pocket.

- In addition to providing basic compulsory auto insurance to all motorists in the province, ICBC is also responsible for the licensing of vehicles, so it can ensure each vehicle has at least the minimum insurance before being licensed to be driven on the road. This has resulted in an extremely low rate of uninsured vehicles on BC roads compared to other jurisdictions.
- Please see next page for a full table comparing the differences in products between Canadian provinces/territories.

	BC		Alta	Sask	Man	Ont	Que	Nfld & Lab	NB	NS	PEI	Yukon Terr	NW Terr	Nunavut
	Current	April 1st												
<b>Sources:</b> <a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>	<a href="http://www.abc.ca">www.abc.ca</a>
<b>Last Updated</b>	01-Jan-18	01-Apr-19	01-Jan-19	01-Jan-19	01-Mar-19	01-Jan-19	01-Jan-19	2004 (introduction of \$2,500 deductible)	01-Jan-19	01-Jan-19	01-Jan-19	01-Jan-17	01-Jan-17	01-Jan-17
<b>Administration</b>	Public	Public	Private	Public	Public	Private	Public	Private	Private	Private	Private	Private	Private	Private
<b>Type of Plan</b>	Tort (Accident Benefits included)	AB Care Model, plus Tort subject to Cap.	Tort subject to Cap (Accident Benefits included)	Choice - Tort or No-Fault (over 98% have No-Fault).	Pure No-Fault	Threshold	Pure No-Fault	Tort with Deductible (Accident Benefits optional)	Tort with Cap (Accident Benefits included)	Tort with Cap (Accident Benefits included)	Tort with Cap (Accident Benefits included)	Tort (Accident Benefits included)	Tort (Accident Benefits included)	Tort (Accident Benefits included)
<b>Minimum 3rd Party Liab (Auto Only)</b>	\$ 200,000.00	\$200,000	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 50,000.00	\$ 200,000.00	\$ 200,000.00	\$ 500,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
<b>UMP</b>	1 Million included in Basic	\$1 Million included in Basic	Not Included- Available through Family Endorsement SEF. No 44	Not Included- Available through Family Protection Endorsement	Not Included- Available through Extension Coverage (matches liability purchased)	Not Included- Available through Family Extension Coverage OPCF 44R	N/A	Not Included- Available through Family Protection Endorsement SEF 44	Not Included- Available through Family Protection Endorsement NBEF 44	Not Included- Available through Family Protection Endorsement SEF 44	Not Included- Available through Family Protection Endorsement SEF 44	Not Included- Available through Family Protection Endorsement END 44	Not Included- Available through Family Protection Endorsement END 44	Not Included- Available through Family Protection Endorsement END 44
<b>Medical Payments &amp; Rehabilitation Services</b>	\$300,000, effective Jan 1, 2018	\$300,000	\$50,000 (sub-limits: Chiro: \$750, Msg: \$250, Accup. \$250)	No-fault - \$7,074,623/person. Includes rehabilitation. Tort - up to \$27,688 for non-catastrophic. Up to \$207,659 for catastrophic injury.	No time or amount limit; includes rehab.	\$3,500 for minor, \$65,000 for non-minor, \$1,000,000 for catastrophic (including attendant care)	No time or amount limit; includes rehabilitation	(Optional) \$25,000/person, including rehabilitation, excluding health insurance and other medical plans; time limit is four years	\$50,000/person, including rehabilitation, excluding health insurance and other medical plans; time limit is four years	\$50,000/person, including rehabilitation, excluding health insurance and other medical plans; time limit is four years	\$50,000/person, including rehabilitation, excluding health insurance and other medical plans; time limit is four years	\$10,000/person, including rehabilitation, excluding health insurance and other medical plans; time limit is two years	\$25,000/person, including rehabilitation, excluding health insurance and other medical plans; time limit is four years	\$25,000/person, including rehabilitation, excluding health insurance and other medical plans; time limit is four years
<b>Cap on Soft Tissue Injuries</b>	No	\$5,500 cap on defined "minor" injuries. To be indexed annually	\$5,202 cap on "minor" injuries (WAD I or II), indexed annually	N/A	N/A	No (but limited by deductible, see Right to sue for pain and suffering)	N/A	N/A	\$8166.67 if injury is deemed "minor" indexed annually	\$8,768, if injury is deemed "minor" indexed annually	\$7,858 if injury is deemed "minor" indexed annually	No	No	No
<b>Funeral Expenses</b>	\$ 2,500.00	\$7,500	\$ 5,000.00	No-fault - \$10,610 Tort - \$6,740	\$ 8,758.00	\$ 6,000.00	\$ 5,377.00	(Optional) \$1,000	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00

	BC		Alta	Sask	Man	Ont	Que	Nfld & Lab	NB	NS	PEI	Yukon Terr	NW Terr	Nunavut
	Current	April 1st												
<b>Right to sue for pain and suffering</b>	Yes	Yes, subject to cap	Yes, subject to cap	No-fault - No, except in very limited situations. Tort - Yes, subject to deductible of \$5,000	No	Yes, if meets verbal threshold of \$129,395.49 and subject to a \$38,818.97 deductible, or, for Family Law Act claims, if meets verbal threshold of \$64,697.21 and subject to a \$19,409.49 deductible. No deductible for fatalities.	No	Yes, but non-pec awards are subject to \$2,500 deductible	Yes, but if injury a "minor injury," maximum award is \$8,166.67	Yes, but if injury a "minor injury," maximum award is \$8,768	Yes, but if injury is a "minor injury", maximum award is \$7,858	Yes	Yes	Yes
<b>Right to sue for economic loss</b>	Yes	Yes	Yes	No-fault - Yes, may sue for amount that exceed no-fault benefits. Tort - Yes, amount received are deducted from the court award or settlement.	No	Yes, if meets verbal threshold	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Disability Benefits</b>	\$300/wk for first 104 weeks. After 104 weeks benefits are subject to CPP deductions and only payable up to age 65.	Max. \$740/week for first 104 weeks.	80% of Average Gross Weekly Earnings or a max \$400 per week for 104 weeks.	No-fault - 90% of net annual income to a max of \$97,530 max insurable earnings/year. Tort - Up to \$442/week if totally disabled; \$221/week for partial disability for up to two years or life if unable to return to work.	90% of net; maximum insurable gross annual income \$98,500; nothing is payable for the first 7 days of disability	70% of earnings up to \$400/wk, after age 65 up to 208 weeks with gradually reduced benefits*	90% of the net income computed on the basis of a gross annual income up to \$76,500. Nothing payable for the first 7 days of disability, then payable every 14 days for the duration of the disability, reduced 25% per year on reaching age 65.	80% of gross weekly earnings to max \$140/week. Maximum 104 weeks if partial disability; lifetime if totally disabled; (optional)	104 weeks partial disability; lifetime if totally disabled; maximum \$250/week; must be disabled for at least 7 days to qualify	104 weeks partial disability; lifetime if totally disabled; 80% of gross weekly income to maximum \$250/week; must be disabled for at least 7 days to qualify	104 weeks partial disability; lifetime if totally disabled; maximum 80% of gross weekly income to maximum \$250/week; must be disabled for at least 7 days to qualify	80% gross wages; maximum \$300/week; 104 weeks temporary or total disability; nothing is payable for the first 7 days of disability	80% gross weekly wages to a maximum \$140/week; 104 weeks temporary disability; lifetime if totally disabled; nothing is payable for the first 7 days of disability	80% gross weekly wages to a maximum \$140/week; 104 weeks temporary disability; lifetime if totally disabled; nothing is payable for the first 7 days of disability
<b>Disability Benefits for homemaker</b>	\$145/wk for first 104 weeks. After 104 weeks benefits are subject to CPP deductions and only payable up to age 65.	\$280/wk for first 104 weeks. After 104 weeks benefits are subject to CPP deductions and only payable up to age 65.	\$135/week for 26 weeks.	No fault: caregiver benefits \$448 to \$891/week for first 180 days. After 180 days choice of caregiver expenses or minimum wage. tort: caregiver benefit \$442/week totally disabled or \$221/week partially disabled.	"Caregiver" Weekly Indemnity, amount depends on number of dependents - \$465-\$611/week. Care expenses: \$120 to \$242 per week.	disability benefits for non earner: \$0/wk for first 4 wks, \$185/wk up to maximum of 2 years; for caregiver: \$250/wk for 1st dependant, \$50/wk per additional dependant. \$100/week for housekeeping.	Weekly amount: \$448 for 1 person, \$503 for 2 people, \$555 for 3 people, \$612 for 4 or more people	\$70/week, maximum 12 weeks; (optional)	unpaid housekeeper \$100/week, maximum 52 weeks	unpaid housekeeper \$100/week, maximum 12 weeks	unpaid housekeeper \$100/week, maximum 52 weeks	unpaid housekeeper \$100/week, maximum 26 weeks	unpaid housekeeper \$100/week, maximum 12 weeks	unpaid housekeeper \$100/week, maximum 12 weeks

	BC		Alta	Sask	Man	Ont	Que	Nfld & Lab	NB	NS	PEI	Yukon Terr	NW Terr	Nunavut
	Current	April 1st												
<b>Death Benefits - Head of Household</b>	\$ 5,000.00	\$30,000 to spouse/principal survivor \$6,000 to each additional dependent \$3,000 for death of dependent child or dependent parent	\$10,000 minimum. Additional 20% of principal sum for each survivor other than the first. Plus, for survivors in the same household, \$15,000 to first survivor and \$4000 to additional survivors	No-fault and tort: 45% of deceased's net income to max. \$97,530 per year for life. Additional benefits available depending on circumstances.	Death anytime, benefits depend on wage and age of deceased; partner gets minimum \$64,260 maximum \$492,500.	\$25,000 lump sum to an eligible spouse; \$10,000 lump sum to each dependant	To surviving spouse: \$71,752 to \$382,500; to estate of victim without dependents: \$57,510; to dependents: \$34,080 to \$62,785 depending on age of the dependent.	(Optional) Death within 180 days (or two years if continuously disabled prior to death); death of head of household \$10,000, plus \$1,000 to each dependent survivor after first; death of spouse \$10,000; death of dependant \$2,000	Death within 180 days (or two years if continuously disabled prior to death); death of head of household \$50,000; death of spouse: \$25,000; death of dependent: \$5,000; to each survivor after the first: \$1000	Death within 180 days (or two years if continuously disabled prior to death); death of head of household \$25,000; spouse: \$25,000, death of dependent: \$5,000; each survivor after the first: \$1000	Death within 180 days (or two years if continuously disabled prior to death); death of head of household \$50,000, spouse \$25,000, dependent \$5,000, each survivor after the first: \$1,000.	Death anytime; death of head of household \$10,000; spouse in hh: \$10,000; dependant: varies; plus additional weekly amounts.	Death within 180 days (or two years if continuously disabled prior to death); death of head of household \$10,000 plus \$1,500 to single survivor or \$2,500 to each survivor after the first; death of spouse \$10,000; dependent: \$2,000;	Death within 180 days (or two years if continuously disabled prior to death); death of head of household \$10,000 plus \$1,500 to single survivor or \$2,500 to each survivor after the first; death of spouse \$10,000; dependent: \$2,000;
<b>Grief Counselling</b>	No	No	\$400 per family in respect of the death of any one person.	No fault: \$5,191 maximum for all counselling. Tort: n/a	\$3,662 per person maximum.	no	no	no	no	no	no	no	no	no
<b>Impairment Benefits</b>	No	No	No	No fault - up to \$202,735 for non-catastrophic and \$247,612 for catastrophic. Tort: up to \$13,844 for non-catastrophic and \$179,971 for catastrophic.	\$802 to \$160,647 for non-catastrophic, and \$253,664 maximum for catastrophic.	no	Lump sum for loss of enjoyment, pain, etc: max: \$251,603	no	no	no	no	no	n/a	n/a

AB: Minor Injury Cap increased by 2.4% effective Jan 1, 2019

<https://open.alberta.ca/dataset/80b795f6-c781-4268-9da2-121e1d3cc338/resource/21119da8-8b06-4f1b-ac87-00097855c937/download/superintendent-of-insurance-2018-10-bulletin.pdf>

Sask:

Tort Guide: [https://www.sgi.sk.ca/pdf/guide\\_nofault\\_2018.pdf](https://www.sgi.sk.ca/pdf/guide_nofault_2018.pdf); [https://www.sgi.sk.ca/documents/625510/626987/guide\\_tort.pdf/93ba9131-aae6-4397-8635-583e0c928289](https://www.sgi.sk.ca/documents/625510/626987/guide_tort.pdf/93ba9131-aae6-4397-8635-583e0c928289)

No Fault Guide: [https://www.sgi.sk.ca/documents/625510/626987/guide\\_nofault.pdf/58fc8fc0-1e37-4be5-948a-1868c8a5d153](https://www.sgi.sk.ca/documents/625510/626987/guide_nofault.pdf/58fc8fc0-1e37-4be5-948a-1868c8a5d153)

MB: <https://www.mpi.mb.ca/en/PDFs/PIPPBenefits.pdf>

Effective March 1, 2019

ON: Statutory Accident Benefits Schedule limits indexation of 2.2% effective Jan 1, 2019.

<https://www.fscg.on.ca/en/auto/autobulletins/2018/Pages/a-06-18.aspx>

SAAQ Compensation table for 2019

Quebec: <https://saaq.gouv.qc.ca/fileadmin/documents/publications/death-benefits-table.pdf>

NFLD: no changes since tort deductible was implemented in 2004: [http://www.servicnl.gov.nl.ca/insurance/pdf/pub\\_auto\\_ins\\_rev.pdf](http://www.servicnl.gov.nl.ca/insurance/pdf/pub_auto_ins_rev.pdf)

of note, NFLD's Public Utilities Board has recently completed an extensive report on potential improvements to its auto insurance, with no recommendations.

NB: [http://0104.nccdn.net/1\\_5/0a3/3e6/00e/January-2019-Annual-Indexation-Notice.pdf](http://0104.nccdn.net/1_5/0a3/3e6/00e/January-2019-Annual-Indexation-Notice.pdf)

2.1% increase to minor injury cap Jan 1, 2019

NS: [https://novascotia.ca/finance/site-finance/media/finance/insurance/Auto\\_Cap\\_Bulletin\\_2019.pdf](https://novascotia.ca/finance/site-finance/media/finance/insurance/Auto_Cap_Bulletin_2019.pdf)

2.2% increase to minor injury cap Jan 1, 2019

PEI: [https://www.princeedwardisland.ca/sites/default/files/publications/automobile\\_insurance\\_minor\\_injury\\_cap\\_index2019.pdf](https://www.princeedwardisland.ca/sites/default/files/publications/automobile_insurance_minor_injury_cap_index2019.pdf)

Obtained minor cap update for Jan 1, 2018 from Phillip MacGinnis at (902) 368-4937

**2019/20 ESTIMATES NOTE****Optional Rate Design****KEY MESSAGES:**

- ICBC is changing its rating structure for its optional insurance products to more effectively price risk.
- Changes to ICBC's optional rating will take effect on September 1, 2019, the same time as the rate design changes to ICBC's basic products.
- ICBC is working towards similar design changes as basic, including moving towards a more driver based model.
- ICBC is looking to include convictions in its optional product – an announcement will be made in the coming weeks.

**BACKGROUND:**

- ICBC's rate design for its basic and optional insurance products will move ICBC to a more driver-based model, with drivers being held more accountable for their decisions and driving behaviours.
- A range of changes to ICBC's optional product are necessary to align with the basic rate design changes, including: listing drivers to more accurately reflect risk; having crashes follow the driver rather than the vehicle; changing the premium impact for new residents and inexperienced drivers; and, the addition of a learner's premium for new drivers. These changes do not require any supporting legislation or regulation.

***Summary of Basic and Optional rate design elements:***

Element of Rate Design	Basic	Optional
Years of Driver's Experience	Up to 40 Years	s.17
Transition Cap	20% maximum per year	
Conviction Rating Factor	None	
10 Year Transition for Rate	Yes	

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Element of Rate Design	Basic	Optional
Class and Territory		
Advanced Safety Technology	10% Discount	s.17
Low Kilometer Discount	10% Discount	
Learner Driver Premium	Average Impact: \$200	
Unlisted Driver Protection	Escalating premium if unlisted crashes	
Unlisted Driver Accident Premium (UDAP)	15x premium differential	
Max UDAP	\$5,000	

### ***Convictions rating factor:***

- Currently, convictions for motor vehicle related offences are not included in ICBC's optional premiums. Consequently, these high risk drivers are not paying enough. ICBC's optional insurance has low risk drivers effectively subsidizing high risk drivers.
- High-risk customers with multiple convictions likely choose ICBC over private insurers because ICBC underprices these customers. Optional premiums for these customers do not adequately capture their costs; consequently, by not using convictions to price their risk, ICBC both attracts these customers and loses money on them.
- Approximately 10% of ICBC's optional customers have either two or more minor driving convictions (e.g., speeding, disobey traffic lights, following too close, unsafe passing) or have been convicted of a serious driving offence (e.g., excessive speed, distracted driving, driving under the influence) in the last three years, yet these customers pay the same optional premium as a customer with no convictions.
- For most other insurers, driving convictions are a key factor in estimating a driver's risk and setting premiums to reflect that risk. ICBC's competitors in BC use driving convictions as a rating variable and also to deny coverage.

**2019/20 ESTIMATES NOTE****Driver Risk Premium and Driver  
Penalty Points Program Changes****KEY MESSAGES:**

- To hold drivers more accountable for their driving decisions and behaviours, this government has made a number of changes to ICBC's Driver Risk Premium (DRP) and Driver Penalty Program (DPP).
- This is part of the significant reforms government and ICBC have been focused on to reduce crashes, relieve immediate pressure on rates and keep rates affordable for British Columbians over the long term.
- Since March 1, 2018, distracted driving is part of ICBC's DRP. This helps ensure higher penalties for drivers with multiple convictions for using an electronic device while driving. This move treats use of an electronic device while driving as the serious high-risk driving behaviour it is – on par with impaired driving, excessive speed and other criminal code convictions.
- Since November 1, 2018, premiums under the DRP and DPP have increased by 20 per cent and they'll increase another 20 per cent on November 1, 2019. Going forward, changes to DRP and DPP will be aligned with annual basic insurance rate changes.
- The 20 per cent increases are in line with how much British Columbians have seen their basic insurance rates increase over the past decade – including those who do not have driving convictions.
- DRP and DPP are separate from Autoplan insurance premiums which means high-risk drivers get billed, regardless of whether or not they own or insure a vehicle.
- Revenue generated from the DPP and DRP programs help to offset overall basic insurance premiums.



**BACKGROUND:**DRP and DPP

- The DPP program applies to drivers who receive four or more penalty points in a one year period. These points are for traffic offences such as disobeying a stop sign or driving without due care.
- The DRP program applies to drivers who receive serious convictions such as Criminal Code, roadside suspensions or prohibitions, excessive speeding or two or more convictions (over a three-year period) for using an electronic device while driving.

Distracted Driving

- Distracted driving is a serious high-risk behaviour, which is now responsible for more than one quarter (27%) of all car crash fatalities in our province.
- B.C. already has some of the toughest distracted driving penalties in Canada, and these changes make the rules even tougher.
- The changes mean that a driver with two convictions for using an electronic device while driving in a three-year period will now pay as much as \$2,400 in penalties, in addition to their regular vehicle insurance premium.

**STATISTICS:**

- With the 20% increase on November 1, 2018, DPP premiums range from \$210 (up from \$175) for four points to \$28,800 (up from \$24,000) for 50 or more points.
- Penalties will increase by 20% again on November 1, 2019, to keep in line with previous increases in basic premiums.
- Going forward, penalties will match any changes to the basic insurance premium. Based on these increases, ICBC expects to collect \$26 million in penalties in 2019, \$32 million in 2020, and \$36 million in 2021 (fiscal year from April to March).

**2019/20 ESTIMATES NOTE****Call for Privatization of ICBC****KEY MESSAGES:**

- Despite its well-publicized challenges, ICBC remains one of British Columbia's most important public assets and we have no plans to privatize ICBC.
- Whether we have a public or private auto insurance system in B.C., the same underlying problems of a record number of crashes and claims, and record high claims costs, would still need to be addressed – simply making a change to private insurance would not solve these issues.
- ICBC enjoys the benefits of operating as a crown corporation as it produces economies of scale which generate overhead costs well below industry averages.
- Private insurance companies across Canada are also facing serious challenges, leading the Insurance Bureau of Canada's (IBC) president to recently write that "auto insurance systems across the country are broken".
- British Columbians already have access to private auto insurance for their optional coverage, and they overwhelmingly choose ICBC – about 80% purchase their full coverage (basic and optional) with ICBC.
- There's no doubt there are profound financial concerns at ICBC but this government, and ICBC, are addressing those concerns with major reforms to the auto insurance system in B.C.

**BACKGROUND:**

- Public auto insurance ensures that all drivers in British Columbia have the same access to auto insurance, which protects them as well as all other road users. As a result of providing accessible public auto insurance, British Columbia's estimated uninsured rate is less than one per cent – much lower than other jurisdictions in North America with rates ranging from 4 to 20 per cent, or even higher in some cases.

- ICBC determines a person's premium primarily on their driving experience, claims history, where they live and how they use their vehicle, while private insurance often factors in personal details such as age, gender, marital status, credit score, and how one finances their vehicle which can often lead to certain demographics paying significantly more for their insurance. ICBC's current mandatory basic insurance rate is, on average, approximately \$1,000 per year.
- ICBC also serves millions of British Columbians every year with driver and vehicle licensing services including administering road tests, processing all ticket violations for the province, investing approximately \$50 million in road safety initiatives every year, in addition to supporting 900 independent Autoplan brokers and 450 accredited repair shops across the province.
- Challenging insurance markets across Canada tell a vastly different story than the one put forward by those who claim that competition from the private sector is a fix-all strategy.
- Governments in Alberta and Ontario, among others, have instituted caps on the amount that insurers can raise rates year-over-year, keeping rates artificially lower than they need to be to cover costs. This has led the IBC and several insurance carriers to strongly lobby their respective governments to remove these caps on rates.
- Those provinces face similar pressures to those that we face in British Columbia with respect to increased vehicle repair costs, increased injury claims costs, and rising legal costs – issues that have nothing to do with a private or public model of insurance.
- The IBC has said that restricting rate increases in Alberta to five per cent is “unsustainable” – on average, insurers are paying out \$1.28 in claims for every \$1 in premiums that they bring in. This has led some insurers in Alberta to cease providing insurance to subsets of the population, certain communities, or to exit the market altogether, leading the IBC to state “Alberta auto is in crisis”.
- Other issues exist in private insurance models across Canada. In Ontario, autobody shop fraud is adding serious costs to the system which has just seen

its highest rate increases in eight years. Last year, New Brunswick auto insurers sought their largest rate increases in 16 years, while in Newfoundland and Labrador industry profitability went from 8 per cent in 2007 down to -6 per cent in 2016. In comparison, public auto insurance in Manitoba, Quebec, and Saskatchewan are not facing these same pressures on rates.

- The IBC has recently stated that allowing competition in B.C. would reduce premiums for approximately 60 per cent of drivers – ICBC is already on the way to achieving this with its new rate model which comes into effect in September.
- While recent media reports have also criticized the amount ICBC pays in broker commissions, on average, ICBC pays a total of 8 per cent on broker commissions for basic and optional policies, compared to an industry average of 14 per cent.

**2019/20 ESTIMATES NOTE****Transportation Network Services****KEY MESSAGES:**

- ICBC has been working together with government to prepare an insurance framework for the ride hailing industry.
- ICBC's Transportation Network Services insurance solution will use distance-based (cents per km) pricing – the model and accompanying rates will need to be approved by the BCUC and is planned to be in place for September.
- ICBC's timelines to deliver their ride hailing insurance product aligns with when government will be ready with its non-insurance elements for ride-hailing's introduction in BC.
- In addition to the insurance product itself, supporting regulatory changes for the ride hailing product are also required and are currently under development -- these changes are required along with a range of other non-ICBC related provincial requirements.

**BACKGROUND:**

- To respond to new transportation options, and to support government policy, ICBC is developing a blanket basic insurance policy to be available for Transportation Network Services (TNS) and Peer-to-peer (P2P) vehicle rental services for September 2019. Blanket policies are commonly used for ride hailing and P2P in other jurisdictions.
- In addition to the legislative changes passed in November 2018, regulatory changes are required to support the introduction of a blanket policy. Tariff changes, BC Utilities Commission (BCUC) approval, systems changes, and the development of new procedures have also been required to enable blanket policies for TNS and P2P.
- Direction from government to the BCUC will be required to: establish an insurance product for TNS and P2P, set the per-km rates for TNS, and set the

rate of fleet discount TNS companies will have in their first two years of operation. Pricing for P2P is still under development.

- ICBC is also developing an optional top-up policy, for September 2019, to enable vehicle owners to extend their same preferred level of optional insurance protection for collision and third party liability extension coverage while also operating for a TNS.
- For the first two years of operation, in the absence of BC data for TNS operation and to ensure a level playing field for taxis, TNS's basic rates in the Tariff will be aligned to what the average taxi would pay if taxi's insurance rates were converted to a per-km basis. After which time, TNS rates will incorporate their BC experience.

**2019/20 ESTIMATES NOTE****LIMIT TO COURT EXPERTS****KEY MESSAGES:**

- On February 11, 2019, the BC Supreme Court Civil Rules were amended to reduce costs and delays in litigation associated with the disproportionate use of experts in motor vehicle injury claims without removing access to further expertise in situations where it's necessary.
- Vehicle injury claims costs have increased by 43% in the past five years. The increased use of experts has contributed to a 20% increase in ICBC's litigated injury settlements over the last year. These amendments are designed to encourage earlier settlements and help reduce the costs of settling vehicle injury claims.
- The court rule changes are intended to move away from the use of adversarial experts by encouraging greater use of court-appointed or joint experts to provide a more neutral expert opinion to assist the court in determining appropriate damage awards.
- Under the new rules announced on February 11, 2019, and March 25, 2019, each side of a litigated motor vehicle personal injury or death claim are limited on the issue of damages to: (i) one adversarial expert and report in which a Notice of Fast Track has been filed (e.g. less than \$100,000); and (ii) up to three adversarial experts and reports for all other actions (e.g. those actions that are complex or that are \$100,000 or more) for motor vehicle injury claims scheduled for trial after December 31, 2019. Additional reports from those experts, and additional joint or court appointed experts, would be allowed with consent of the parties or leave of the court.
- These changes also limit the amount recoverable against the other party in relation to expert evidence to the costs of the experts and reports permitted under this new rule, and to the costs of supplementary reports only when the change in evidence is material. Those parties scheduled for trial on or before

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April 1, 2019

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December 31, 2019, and who incurred costs for necessary experts prior to February 11, 2019, would still be able to recover those expenses.

- The limit to experts and reports will apply to all personal injury and death claims as of February 1, 2020.
- The expansion of the limit to all personal injury claims comes out of consultations with the Chief Justice of the Supreme Court and the Rules Committee, which consists of representatives from the judiciary and private bar.
- s.17

## FINANCES:

- s.17
- 
- The savings estimate will continue to be reassessed as a matter of course, so the estimated amount of savings may be a different number at the end of Q4, Q1, Q2, etc., as there is more data and refinement of estimates for this and other claim costs impacts. As of the preparation of this note, the estimated amount of savings for 2018/19 included in ICBC's year-end financial statements is not yet available.

The proposed changes to the number of experts and expert reports is expected to have an estimated positive fiscal plan impact based on the following assumptions:

- Direct savings from reduced spend on expert reports and related disbursements;

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- Indirect savings on claims severity (wage loss, future wage loss, future care costs) through preventing claim-building through strategic use of expert reports on unsettled claims;
- Reduced risk and reduced uncertainty for open claims with ICBC better able to rely on the initial expert reports provided to ICBC to place a value on a claim.

**STATISTICS:**

- Vehicle injury claims have increased by 43% in the past five years. **This figure is based upon a calendar view of data from 2014-2018, as of Q2 2018. Current data in fiscal year view (from 2014/15 to 2018/19), as of Q3 2018/19 restates this figure to 34%. Once 2018/19 year end data has been finalized, ICBC will shift to reporting injury claims costs to fiscal view.**
- The increased use of experts has contributed to a 20% increase in ICBC's litigated injury settlements over the last year.

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**2019/20 ESTIMATES NOTE****Trial Lawyers Association of BC  
(TLABC)****KEY MESSAGES:**

- I continue to value the input and suggestions of the TLABC as we move forward with implementing the Rate Affordability Action Plan, but the current insurance system in our province has been uniquely generous to lawyers at the expense of the rate payer.
- The escalating cost of injury claims is by far the single biggest pressure on ICBC's finances, having soared by 43 per cent in just five years; to total \$3.75 billion in 2018 alone.
- ICBC's loss of \$860 million for the first nine months of 2018/19 reflects the rising cost of claims, particularly litigated injury claims, which increased in cost by 19 per cent between 2017 and 2018.
- Despite ICBC's success in closing more injury files and seeing fewer go to trial each year, they are seeing more of their offers – which are higher than they have ever been – not being accepted and settlement costs being driven even higher.
- ICBC currently only has plaintiff demands on less than 10 per cent of its open injury claims making it very difficult to make appropriate settlement offers. Conversely, on behalf of its customers (defendants), ICBC has made settlement offers on approximately 57 per cent of open litigated injury claims, showing they are making efforts to settle.
- Anyone injured in a crash is entitled to fair compensation but our focus also has to be on ensuring they get the care and treatment they need to recover, rather than ICBC continuing to pay settlements at levels which are increasing at an unaffordable rates.

### Litigation Strategy

- There is no big policy change – ICBC is doing what any responsible insurer would do when claims costs skyrocket beyond historical trend lines.
- We have guidelines in place, as do other responsible insurers, to ensure a consistent approach to evaluating injury claims.
- The Legal Services Branch recently reviewed ICBC’s litigation approach and it is consistent with ICBC’s increased focus on reducing the cost pressures that litigated injury claims are putting on the insurance rates all British Columbians are paying.

### TLABC Recommendations and ICBC Actions to Date:

- This government has made many changes that are in line with TLABC recommendations, though these alone could never offset the rising costs of claims. These include:
  - Activating intersection red light cameras 24/7 and expanding the usage of some of these for speed enforcement.
  - Increasing per-treatment funding for accident benefits.
  - Increasing driver risk premiums for distracted driving with a 20% increase in 2018 and a further 20% increase coming in November of 2019.

### Increasing Plaintiff Costs & Disbursements:

- Last year, traditional advertising spend by injury lawyers increased by another 11.8%. In 2017, the reported media spend by B.C. lawyers was \$2,356,994; in 2018 this was \$2,634,069.
- Google AdWord gauges the competitiveness of the search term between law firms in the B.C. market. Over time, this amount has been as low as \$20 up to a high of \$152 for the maximum cost per click. For the majority of 2018, the cost per click was over \$100.

- For 2018, the top reported traditional media advertisers included Prezler Law Firm (\$643,124), Klein Lawyers (\$392,132), Diamond & Diamond (\$372,671) and Stephens & Holman (\$282,142).

**STATISTICS:**

- The statement: Injury claims costs have soared by 43 per cent in just five years, and are projected to total \$3.75 billion in 2018 alone is based upon a calendar view of data from 2014-2018, as of Q3 2018. Current data in fiscal year view (from 2014/15 to 2018/19), as of Q3 2018/19 restates the statement as follows: Injury claims costs have soared by 34 per cent in just five years, and are projected to total \$3.65 billion in 2018/19. Once 2018/19 year end data has been finalized, ICBC will shift to reporting injury claims costs to fiscal view.

**2019/20 ESTIMATES NOTE****Automotive Retailers Association  
(ARA)****KEY MESSAGES:**

- ICBC's material damage costs reached \$1.51 billion in 2017, fueled by an increase in both the number of claims being made and the average cost of those claims.
- In 2018, our government directed ICBC to modernize its material damage supplier programs in order to better recognize those suppliers that provide first-rate service while running efficient, cost-effective businesses.
- This work is being accomplished in consultation with industry advisory committees (IAC's) that include representation by the ARA and businesses across the province, including single store operators, multi-store operators, independent shops, and banner shops.
- In addition, ICBC relaunched a forum of 6 Automotive Liaison Committees to provide industry and industry representatives the opportunity with a place for valuable discussions on the issues and needs of the sector. The ARA is actively involved in each of these, as a participant and with representation from the ARA member base.
- ICBC anticipates that a modernized framework for the material damage supplier programs will be put forward mid-2019 for broader industry consultation across the province.
- The broad objectives of the modernization will be to raise performance standards with a robust governance model; recognize suppliers appropriately, ensure that high-quality services are available throughout British Columbia; achieve cost reductions through increased efficiencies; and, most importantly, ensure that ICBC's customers receive safe, prompt repairs at the best market value.
- ICBC and the ARA have worked closely in the past year to strengthen our shared relationship given our shared commitments. The ARA has also had numerous

meetings with government advocating for their position and that of their membership on a number of issues.

### Glass

- As recommended in the operational review of ICBC by Pricewaterhouse Coopers, ICBC is developing a new tiered program for glass suppliers.
- Recent changes to ICBC's Glass Pricing and Billing policy were the first since 2010. These were introduced in order to help reduce the pressures on auto insurance rates by bringing them more in line with industry standards and helping to address the 140% increase in glass costs over the last decade.
- We recognize that these changes impact our industry partners, and we appreciate the importance of working with and supporting them through this transition.

### Rates

- The rates ICBC pays to its suppliers – not only automotive businesses, but also insurance brokers, legal counsel, and medical professionals – have an impact on insurance premiums for customers. Since the priority for this government is the urgent task of fixing ICBC's financial situation while keeping premiums affordable for British Columbians, industry will need to focus on finding innovative ways to increase efficiency and streamline business practices.
- My hope would be that through modernization, ICBC creates the opportunity for top-tier shops to be more efficient and more profitable under the current rate structure by enabling the shops to process a greater volume of damage vehicles, thereby increasing their profitability.

## **BACKGROUND:**

### Competition Act challenge

- The ARA continues to advocate for the Minister to direct ICBC to change position on its interpretation of the federal *Competition Act* with regards to negotiating fees.

- In 2011, to ensure compliance with the federal *Competition Act*, ICBC stopped negotiating fees and commissions with industry associations.
- Instead, ICBC now reviews and updates the fees, commissions and rates annually, taking into account a variety of factors including industry surveys and feedback, cost analysis, the BC Consumer Price Index and the impact on ICBC customers.

**2019/20 ESTIMATES NOTE****ALL Legal Aid Service Withdrawal and  
LSS Tariff Increase****PROGRAM AREA OVERVIEW/DELIVERABLES:**

- The province's legal aid system at present relies on approximately 1000 lawyers in private practice across the province accepting referrals from Legal Services Society (LSS) to provide services to clients.
- Recent experience with lawyer attrition highlights an ongoing, systemic obstacle to improving access to justice. The current tariff rates have made it increasingly difficult for LSS to deliver legal aid services exclusively through lawyers in many parts of the province, particularly in the central and northern areas of the province and in smaller communities.
- The Association for Legal Aid Lawyers (ALL) is currently acting as the voice/negotiating body for legal aid lawyers.
- ALL's presentations to government and its subsequent vote and resulting plan of action for legal aid service withdrawal resulted in a response from government that included:
  - An agreement with ALL delaying any service withdrawal actions until mid-November, signed March 28, 2019.
  - Approval and provision by government of \$7.9 M (\$4M from 2018/19 Contingencies plus LSS accumulated surplus of \$3.9M) for bonus incentive payments to legal aid lawyers for an interim period.
  - Engagement with ALL on the development of a negotiation framework and long term proposal for legal aid funding.
- Internal work is underway to seek a negotiation mandate and to align the negotiation framework in a submission to Priorities and Accountability committee and a Treasury Board submission.
- A Legal Assistance Strategy is also being developed to inform the strategic rationale for the framework and funding proposal.

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- The request to Cabinet includes a negotiation mandate for an agreement, similar in nature to the Physician Master Agreement, for up to three years. This agreement would permit an increase to the tariff, allow for consultation with respect to eligibility for services and scope of services provided by LSS, and provide for negotiation between ALL, LSS and government.

**PROGRAM SUMMARY:**

	2016/17	2017/18	2018/19	Anticipated Trends 2019/20 to 2020/21
<b>Estimates STOB 80 Budget: from Government</b>	\$74.7M	\$77.6M	\$86.3M <sup>1</sup>	\$86.8M Rise expected in 20/21 due to negotiations.
<b>FTEs<sup>2</sup></b>	154	161	163.6	220.8
<b>Clients Served</b>				
<b>Criminal Contracts</b>	20,971	19,179	Pending <sup>3</sup>	Increases expected from funding increases.
<b>Family Contracts</b>	3,807	3,276		
<b>CFSA (child) Contracts</b>	2,424	2,255		
<b>Immigration/Refugee</b>	1,064	1,327		
<b>Admin/Appeal</b>	20	24		
<b>Clients Served – TOTAL</b>	<b>28,286</b>	<b>26,061</b>		

<sup>1</sup> \$4M one-time from government contingencies and \$3.9M from Legal Services Society from their Accumulated Surplus provided to the Law Foundation for distribution of the interim good will payment.

<sup>2</sup> Comprised of LSS Program FTEs, some of whom are staff lawyers and others who are program managers. Most are operational (finance, admin, communications, etc. staff). The 1,000 references tariff lawyers who actually deliver most of LSS's services and are NOT staff lawyers. The increases from 2017/18 through 2019/20 is primarily attributable to additional hires for the Parents Legal Centres, as well as a new Indigenous Services division.

<sup>3</sup> Note: 2018/19 numbers will be available when the LSS Annual Service Plan Report is available, about June 2019.

**2019/20 ESTIMATES NOTE****Civil Resolution Tribunal****KEY MESSAGES:**

- Customers with disputes about their minor injury claims resulting from accidents that occur after April 1, 2019 now benefit from a new independent dispute resolution process through the Civil Resolution Tribunal (CRT).
- The CRT is independent from ICBC and will reduce reliance on the courts and the legal system to help settle minor injury claim disputes so there are faster decisions for customers.
- The CRT process will ensure a neutral, expert third-party helps to resolve minor injury claim disputes. Use of the CRT will put people on an even playing field with ICBC.

**Benefits of the CRT:**

- The CRT process is affordable, accessible and efficient, and can be navigated without the need for legal representation, meaning the customer's settlement is not subject to lawyer contingency fees. However, should a customer choose to do so, they still have the ability to hire a lawyer.
- It should also be much faster and will help to reduce the legal costs which are contributing to the increasing year-over-year cost of auto insurance in BC.
- The CRT has implemented procedural changes and increased resources to accommodate these changes.

**BC Supreme Court Role:**

- If a party is not happy with the decision of the CRT, the decision can also be referred to the Supreme Court of BC for judicial review.

**BACKGROUND:**

- Legislation in the Civil Resolution Tribunal Act expanded the CRT's scope as of April 1 to include making decisions on the following matters where the driver has concerns related to their ICBC claim:
  - The determination that an injury is a minor injury.
  - The entitlement to receive Accident Benefits claimed.
  - Decisions around who is responsible for the crash and damage amounts for all injury claims below a threshold that does not exceed \$50,000.
- The CRT is Canada's first online dispute resolution tribunal, and provides timely, accessible, and inexpensive dispute resolution, focused on helping parties reach an agreement wherever possible. The CRT already resolves strata property and small claims disputes and has handled more than 9,500 disputes since 2016.
- The CRT adjudicators are independent of ICBC, will have expertise in motor vehicle accident claims, will assist the parties through the process, and will provide fair, fast resolution, without requiring the involvement of a lawyer.
- Fees to use the CRT are far more cost-effective than retaining a lawyer. It is a new independent option in addition to ICBC's current internal dispute resolution process.
- The CRT already helps people to resolve small claims disputes of \$5,000 and under, and strata property (condominium) claims of any amount quickly and affordably. It also encourages a collaborative approach to dispute resolution and is available 24/7.
- The CRT has been consulted throughout this process and is confident it can take on this additional work.
- Of the \$1 billion annually that ICBC is projected to save as a result of product reform, ICBC expects that about \$100 million will be a direct result of moving to an alternative dispute resolution model.

**CROSS REFERENCE:**

- **ICBC 2.3** – Civil Resolution Tribunal
- **PS\_JSB 4.2** – Civil Resolution Tribunal

**2019/20 ESTIMATES NOTE****Electoral Reform Referendum****KEY MESSAGES:**

- British Columbians had their say on electoral reform, and a majority who voted preferred to keep our existing First Past the Post voting system.
- A mail-in ballot referendum, with questions structured to offer British Columbians the opportunity to clearly state their preferences, was a fair and efficient way to make a decision on this important democratic issue.
- Elections BC has estimated the cost of the referendum at \$14.5 million. That figure will be confirmed when the agency releases its detailed report on the referendum this spring.
- The public funding allocated by the government, and distributed via Elections BC, helped support the official proponent group and the official opponent group in stimulating public debate on both sides of the issue.

**FINANCES:**

- Based on past referenda conducted by mail-in ballot, the initial estimated cost of administering the 2018 referendum was \$9-10 million.
- That figure was based on Elections BC's estimate, and did not include the \$500,000 each for the proponent and opponent groups, and the costs for Elections BC to provide neutral information on the voting systems on the ballot.
- The Chief Electoral Officer explained that in addition to the costs associated with the decision to fund a proponent and opponent group, and Elections BC's role in providing neutral public information, the budget for this referendum would be higher than for the last mail ballot referendum in 2011 due to higher postal costs, higher labour costs, increased population in BC, and higher paper costs.
- Elections BC's fall 2018 cost estimate for the referendum is \$14.5 million. Elections BC will release a detailed referendum report in spring/summer 2019.

**STATISTICS:**

- Participation in the referendum: on Question 1, 61.3% of votes were in favour of maintaining the current First Past the Post Electoral system. On Question 2, the most popular proportional representation system was Mixed Member Proportional, with 41.2% of votes.
- About 41% of registered voters returned a voting package to Elections BC. A total of 1,391,423 ballots were considered.
- Public engagement informing conduct of the referendum, including choice of ballot questions: over the course of three months from November 21 to February 28, the public engagement website received more than 180,000 (180,880) site visits, with over 90,000 (91,725) questionnaires completed.
- In addition to the website, the engagement received over two hundred written submissions from individuals, as well as submissions from more than 30 organizations.

**2019/20 ESTIMATES NOTE****Family Justice - Provincial Court  
Rules Reform****KEY MESSAGES:**

- A 2017 mandate priority is to “improve and support legal aid, including...dispute resolution services for families...to increase access to justice”
- The Ministry has been collaborating with the Provincial Court to reform the rules of court for family matters. A working group with representatives from the Ministry, Provincial Court, Legal Services Society, Law Society, Canadian Bar Association (BC) and a community advocate have developed draft rules transforming Provincial Court family process.
- The new model fosters healthy and safe transitions for parents and their children, providing early assessment of their needs, referrals, consensual dispute resolution (where appropriate), and improved early court process.
- This model also provides a streamlined approach to protection and other urgent orders. Where appropriate, these matters will go directly to a judge.
- We expect that this new model will reduce the volume and complexity of cases proceeding to Provincial Court, creating capacity for the court to hear other matters, such as criminal or civil cases in a more timely manner.
- Key elements will be prototyped as the Early Resolution and Case Management Prototype and implemented in Victoria starting May 13, 2019.
- The prototype is planned for three years, and will include evaluation of the model. Operation of the prototype will further inform the business case for broader implementation in the future.

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If asked about the treatment of family violence in the new model (brief answer):

- Protection-related and extraordinary parenting matters will proceed directly to court, they will not go through the Early Resolution and Case Management stream's assessment and consensual dispute resolution processes.
- Those in the Early Resolution stream will benefit from needs assessment performed by Family Justice Counsellors, who are certified family mediators with specialized training in recognizing and assessing the risks of family violence.
- As appropriate, Family Justice Counsellors adapt consensual dispute resolution processes to address power imbalances and other issues. They also provide information and referrals to services such as a transition house or the police.  
(see Appendix A for more detailed information)

If asked about the relationship of legal aid to the new model:

- The model will provide families with referrals to legal advice services including Legal Services Society family advice lawyers and duty counsel.
- Access to justice for families is a broader concept than funding lawyers to provide legal advice and representation in court.
- This model increases access to justice by supporting earlier resolutions and consensual dispute resolutions processes. This will enable better and more durable outcomes for families while building skills to reduce future conflict.

**FINANCES:**

- In 2018-2019, in addition to the Victoria JAC budget of \$780,874, government provided \$758,000 to support operationalization of the prototype model and create an evaluation framework.



- In 2019-2020, the Victoria JAC will have added 4.5 additional FTEs to support the new prototype, for a total of 17 FTEs providing the “front-end” early resolution portions of the new model as well as the implementation of the evaluation framework.

### STATISTICS:

- The model has been informed by extensive analysis and the work of the National Action Committee on Access to Justice, Family Reform Working Group, Access to Justice BC and the observations and conclusions of the 3<sup>rd</sup> BC Justice Summit in May 2014.

There are several positive evaluations for related initiatives. Examples include:

- In a 2015 client survey, 88% agreed that they felt better informed after their Rule 5 appointments and 90% agreed that the Family Justice Counsellors had helped them understand legal and court processes.
- In a 2008 longitudinal study of Family Justice Services:
  - Respondents felt that their children were better off as a result of the parent being involved in dispute resolution. Respondents identified the reduction of conflict between the parents as being the most important benefit of dispute resolution for children.
  - Over 80% of the respondents said that it was likely or very likely they would participate in dispute resolution again if the circumstances warranted it.

**2019/20 ESTIMATES NOTE****Family Maintenance Enforcement  
Program Delivery Options****KEY MESSAGES:**

- Family Maintenance Enforcement Program (FMEP) is an important component of the Ministry's response to provide access to justice to British Columbians.
- The program has been successful – over \$4 Billion has been disbursed to families in British Columbia, elsewhere in Canada and internationally to our reciprocal partners.
- The sustainability of the contract model is very much in question.
- Very shortly after I took over this portfolio, we received the report from the Auditor General that was critical of the contracting model used and the lack of competition that the Ministry created in the tendering process.
- To address this we compared various models for service delivery and concluded that a Crown agency had the best changes of continuing the success of the program.
- The Crown agency is fiscally sustainable – at lower costs than continuing to contract – while keeping the various program components together in a way that provides integrated services to families.
- The families that count on FMEP should not notice any interruption of services.
- The contractor who has provided services for many years has done a very good job – our support enforcement service is one of the best in Canada.
- The new Crown agency will continue with all of the existing services and all of the existing staff will be welcomed to continue with the agency.
- While the names of programs may change from time to time, the commitment does not:
  - This program assures that over 30,000 families have true access to justice; and

- This program is an important component in reducing the impact of poverty on children.

**FINANCES:**

- The new Crown agency will be able to offer the same services at a lower overall cost than continuing with a contracted service model.

**STATISTICS:**

- This program disburses over \$200 Million per year to families;
- Since inception in 1988, the program has disbursed over \$4 Billion to families

**APPENDIX A: MORE INFORMATION ABOUT FAMILY VIOLENCE**

- Family justice counsellors are specially trained in issues and dynamics related to family violence; they engage parties to share their experience.
- Early assessment by family justice counsellors will identify safety concerns and family violence and provide support and planning for families.
- Parties will be exempted and go directly to court where safety issues cannot be adequately addressed to make consensual dispute resolution safe.
- Clients will be referred to appropriate resources, including victim services, community support services, and police.
- The assessment tool was designed to be used by professionals with specialized training to help identify areas of concern and supports decisions about if or how mediation can occur in a safe way.
- The tool was developed with the support of local experts and leaders in the field, and positively evaluated. Topics include: levels of conflict, financial/debt management, family violence and issues related to child protection and children's adjustment to changing family circumstances.
- Safety in consensual dispute resolution: Consistent with research and developments in the dispute resolution field, in appropriate situations, Family Justice Counsellors can adapt the mediation process to ensure both parties feel safe and are able to participate freely in the process.
- Throughout the process, Family Justice Counsellors continue to assess for safety and power imbalances and encourage parties to plan for what may happen following the process.

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**2019/20 ESTIMATES NOTE****First Nations Justice Council****KEY MESSAGES:**

- The BC Aboriginal Justice Council (BCAJC) was formed in 2007 through resolutions made by the First Nations Summit (FNS), the Union of British Columbia Indian Chiefs (UBCIC), and the British Columbia Assembly of First Nations (BCAFN).
- In March 2019, the BCAJC became the First Nations Justice Council (FNJC) through new resolutions and was incorporated as a society.
- Members include:
  - Doug White, FNS Appointee
  - Boyd Peters, UBCIC Appointee
  - Rosalie Yazzie, BCAFN Appointee
  - Annita McPhee, Member at Large
  - Tracy Downey, Member at Large
- The Justice Council is predominantly responsible for:
  - Advocating to government on behalf of First Nations with respect to justice-related matters, and in particular, the over-representation of Indigenous children in care and Indigenous peoples incarcerated.
  - Contributing towards and steering planning and initiatives pertaining to First Nations' justice matters throughout BC.
  - Liaising and working with First Nations, other Indigenous groups, and service providers to promote enhanced access to justice for Indigenous peoples and to garner insights and wisdom on strategies for positive systemic change.
  - Working with the Province to develop the First Nations Justice Strategy.

- The Justice Council reports to, and takes direction from, the BCAFN, FNS, and UBCIC through regularly scheduled meetings with the First Nations Leadership Council and the assemblies of its member organizations.
- On April 24-25, 2019, the FNJC hosted a provincial forum to bring together First Nations leaders, First Nations organizations, practitioners, and subject matter experts with an in-depth understanding of Indigenous justice issues to discuss opportunities for transformative change to inform the First Nations Justice Strategy.
- In spring and summer 2019, the FNJC is hosting four regional engagements to further inform the First Nations Justice Strategy.

#### **FINANCES:**

- In the fall of 2017, \$0.400 million was granted by government to enable sufficient capacity to actively participate in the development of the First Nations Justice Strategy.
- In fiscal 2018/2019, \$0.275 million was granted by government to support the First Nations Provincial Forum and regional engagements. An additional \$0.275 million is being provided by the BC Law Foundation (through a grant).
- For fiscal 2019/2020, \$0.380 million has been granted to support the continued capacity to actively participate in developing the First Nations Justice Strategy along with implementing priority projects as they are developed.

## 2019/20 ESTIMATES NOTE Gladue

### KEY MESSAGES

- Gladue reports provide courts with comprehensive information about an Indigenous offender's background, his/her community, and present options for sentencing and bail that offer realistic and viable alternatives to prison.
- The application of Gladue principles is required for all criminal proceedings involving Indigenous people. The incorporation of *Gladue* principles in the justice sector is broader than the creation of *Gladue* Reports.
- In 2018/2019 Legal Services Society (LSS) increased their capacity to produce Gladue reports.
- In 2018/2019, government allocated \$0.700 million to engage the First Nations Justice Council (FNJC) and other system partners in the policy development required to develop a new approach to Gladue in BC. This funding supported the following projects:
  - *The Gladue Process in British Columbia; an inventory of the various ways Gladue information gets to court*, prepared by JSB (September 2018) for the Gladue Knowledge Sharing Gathering.
  - Gladue Knowledge Sharing Gathering (October 3-4, 2018). This gathering brought together over 40 leaders, subject matter experts, and practitioners from across the country to explore contemporary issues around Gladue implementation and to brainstorm practical approaches to address the issues.
  - Gladue current state process mapping workshop (December 11-12, 2018) with multi-disciplinary practitioners to gain a better understanding of the current state of Gladue and pain points.
  - Creating a senior Gladue report writer role within LSS to produce 3-4 Gladue reports per month and provide mentorship to new writers.

- A comparative analysis of Gladue report programs across Canada—conducted by UBC through the International Centre for Criminal Law Reform (in collaboration with LSS).
- Conduct one-on-one interviews with subjects of Gladue reports to gain a better understanding of the Gladue process—conducted by International Centre for Criminal Law Reform.
- Research related to the development of actor-specific implementation guides for Gladue (i.e. prosecution, defense, Gladue writers, etc.) and/or the development of a bench book for the judiciary—conducted by Benjamin Ralston, University of Saskatchewan.
- Support the FNJC to host provincial and regional forums to inform the Justice Strategy and the future state of Gladue.
- Support Metis Nation BC to host regional forums to inform the Metis Justice Strategy and the future state of Gladue.

## FINANCES

- \$0.700 million in annualized funding has been allocated to the Justice Services Branch (JSB) for the years 2018/19 through 2020/21 (total investment of \$2.1 million) to focus on more effective implementation of Gladue principles throughout the justice system.

## STATISTICS

- In fiscal 2017-2018, LSS funded the preparation of approximately 135 Gladue reports. The funding for these reports came from both the Law Foundation as well as government.
- In fiscal 2018-2019, LSS received additional government funding to provide an increased number of reports; the target was 250-300.
- To date LSS has completed 192, with 14 additional reports anticipated to be completed by March 31, 2019.
- Total anticipated completed reports are 206. In addition, we have 112 currently being worked on that will not be completed for March 31, 2019.

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## 2019/20 ESTIMATES NOTE      Indigenous Justice Centres

### KEY MESSAGES:

- The Indigenous Justice Centres (IJC) have been identified by the First Nations Justice Council (FNJC) as a high priority action area within the First Nations Justice Strategy. The IJC provide the necessary infrastructure and community capacity to allow communities to identify and implement programs based on wrap around services for the people within their communities.
- The IJC will provide legal information, advice, advocacy and representation to clients, with a primary focus on criminal law and child welfare.
- The IJC will also have outreach and support staff to assist clients to address wellness needs holistically and begin the process of tackling the factors that brought them into the justice system.
- These supports include helping clients with trauma, cultural and community inclusion, mental health and substance use, housing, education, and employment, among others.
- The IJC will be community-specific so if these supports are already provided in the community, clients will be connected through guided referrals.
- The specific Indigenous Justice Centre locations have yet to be determined—but the plan is to implement up to three IJC in 2019/2020—based on service delivery model, partnerships and budget.
- These locations will be collaboratively identified, based on available caseload data, the existence and capacity of complementary supports and services, and qualitative assessments. Consideration will also be made to serving various geographies throughout the province's urban, rural, and remote locations.
- Once the locations have been selected, the implementation approach will see extensive engagement with existing service providers and communities to garner support, ensure service alignment, minimize duplication, and allocate resources most effectively.

- The FNJC will be responsible for managing the implementation of the IJCs (up to three) within the 2019/2020 budget parameters.

#### **FINANCES:**

- \$1.4 million was granted for 2019/2020 (from contingencies) to support the Indigenous Justice Strategy and the implementation of up to three IJCs, engagement funding for the IJCs as well as capacity funding to support the Justice Council and MNBC to support their contributions towards the Justice Strategy development.
- These funds will be used to support the following activities:
  - The creation of the IJS Secretariat, within JSB, to support the implementation and evaluation framework of the IJCs (\$0.160);
  - Community engagement to help with the development of the IJCs and confirmation of the service delivery model (\$0.115);
  - Funding to enable the implementation and operations of up to three IJCs (\$0.404) – assume centre(s) will be up and running in October 2019;
  - Contingencies (\$0.246) to support other priority projects aligned with the Indigenous Justice Strategy;
  - Capacity funding for the FNJC for the development of the First Nations Justice Strategy (\$0.380); and
  - Capacity funding for MNBC for the development of the Metis Justice Strategy (\$0.095).

**2019/20 ESTIMATES NOTE****Indigenous Justice Strategy****KEY MESSAGES**

- On September 7, 2017, the Ministry of Attorney General, the Ministry of Public Safety and Solicitor General and the BC Aboriginal Justice Council (now the First Nations Justice Council: BCFNJC), entered into a Memorandum of Understanding with the aim of jointly developing a provincial Indigenous Justice Strategy (IJS).
- Recently, the BCFNJC received approval through resolutions of its three founding organizations to change its name to the BC First Nations Justice Council and to clarify its mandate to focus on First Nations-specific justice issues.
- BC recognizes that First Nations and Métis people in BC have distinct cultures, priorities and histories working with the provincial government.
- It has become clear that a single justice strategy will not meet the needs of both groups.
- For that reason, BC has committed to working with the BCFNJC and the Métis Nation BC Justice Council (MNBCJC) to develop two Indigenous justice strategies.
- This will ensure each group's concerns and priorities are thoroughly considered and thoughtfully addressed in culturally appropriate ways for the distinct nations that each group represents.
- Supporting relationships and governance structures necessary to effectively facilitate a transformative shift takes time and is essential to ensuring the process is primarily led by our Indigenous partners, as per government commitments to UNDRIP, the TRC, and the 10 Principles.
- MAG has hired an Indigenous Justice Strategy Executive Director (November 2018), to facilitate ongoing discussions between the partners and enhance

leadership capacity throughout the remainder of the initiative. This position is a joint appointment of the BCFNJC, MAG and PSSG.

- MAG has also assembled a DRAFT Indigenous Justice Framework Outline based on recommendations contained in prior reports, which is meant to serve as a basis for further discussion in the process of the Nations developing their strategies. The framework and supporting materials have been shared with the BCFNJC and the MNBCJC for their use, if determined relevant.
- On April 24 & 25, 2019, the BCFNJC hosted a First Nations Provincial Justice Forum. The purpose was to bring together First Nations leaders, First Nations organizations, practitioners, and subject matter experts with an in-depth understanding of Indigenous justice issues to discuss opportunities for transformative change. This forum will help inform the BCFNJC's contributions towards the First Nations Justice Strategy.
- Of the First Nations Chiefs invited, 177 were in attendance. This forum was to help inform the First Nations Justice Strategy.
- Subsequent to the Provincial Forum for the First Nations Chiefs, four Regional Engagement Sessions have been scheduled to obtain community level and Indigenous Service provider input to the First Nations Justice strategy.
- MNBCJC will be hosting seven Regional Engagement Sessions (dates and locations TBD) to obtain community level and Indigenous Service provider input to the Metis Justice strategy.

If asked about the length of time on getting the IJS running:

- It is essential to get this right: the strategy is paramount to get the justice system working well for Indigenous people. For this to happen, the Strategy must be developed in partnership with Indigenous leadership and communities with focus on a holistic sense of justice.
  - Currently, MAG is working closely with the BCFNJC, MNBCJC and other stakeholders to meet the commitment of having the First Nations & Métis Justice Strategies developed by September 2019.

**FINANCES**

- \$1.397 M was granted for 2019/2020 (from contingencies) to support the Indigenous Justice Strategy and the implementation of up to three IJCs, engagement funding for the IJCs as well as capacity funding to support the Justice Council and MNBC to support their contributions towards the Justice Strategy development.
- These funds will be used to support the following activities:
  - The creation of the IJS Secretariat, within JSB, to support the implementation and evaluation framework of the IJCs (\$0.160);
  - Community engagement to help with the development of the IJCs and confirmation of the service delivery model (\$0.115);
  - Funding to enable the implementation and operations of up to three IJCs (\$0.404) – assume centre(s) will be up and running in October 2019;
  - Contingencies (\$0.243) to support other priority projects aligned with the Indigenous Justice Strategy;
  - Capacity funding for the BCFNJC for the development of the First Nations Justice Strategy (\$0.380); and
  - Capacity funding for MNBC for the development of the Metis Justice Strategy (\$0.095).
  - Additionally, March 31, 2019, The Law Foundation and the Province matched funding of \$275,000 to support the upcoming BCAJC Forum and Engagement Sessions prior to fiscal year end.

**2019/20 ESTIMATES NOTE****Legal Aid - Parent Legal Centres****KEY MESSAGES:**

- The BC government recognizes the importance of legal aid services for British Columbians.
- *Budget 2018* announced a significant increase of \$26 M to the Legal Services Society (LSS) over the next three years for the expansion of legal aid service delivery supports, including Indigenous, family law and duty counsel services that help more people navigate the system, freeing up court time and resources.
- Approximately \$11 M of the additional funding, or \$3.8 M annually, will support the expansion of the Parents Legal Centre (PLC) to additional communities, consistent with the recommendations from the Grand Chief Ed John Report on Indigenous Child Welfare.
  - PLC expansion is aligned with AG Mandate Letter priorities to “improve and support legal aid, including First Nations legal services, dispute resolution services for families and expanded poverty law services to increase access to justice.”
  - The PLC model, piloted at Robson Square, was also highlighted in Grand Chief Ed John’s 2016 report *Indigenous Resilience, Connectedness and Reunification – From Root Causes to Root Solutions: A Report on Indigenous Child Welfare in British Columbia* as an effective model for achieving better outcomes for Indigenous families and children.
  - PLC services provided by LSS assist eligible clients with early, collaborative resolution of child protection issues and keep them out of court through legal information and advice as well as through access to collaborative processes such as mediation.

- LSS expansion plans include 9 PLC locations across the province, including sites recommended in the Grand Chief Ed John's Report:
  - Vancouver (Robson Square) was the PLC model pilot site starting in 2014/15 and is now an ongoing program.
  - Surrey PLC opened February 2018.
  - Prince George, Smithers/Hazelton, Duncan and Campbell River locations were opened in 2018.
  - Kamloops, Williams Lake and Victoria PLC locations opened in 2019.

#### If Asked About Parent Legal Centres

- The PLC focuses on trying to resolve cases consensually out of court, and identifies alternative methods to address child protection issues before they escalate to require court processes.
- The program works to engage with parents at an early stage prior to and during their involvement with the Ministry of Children and Family Development/ Delegated Aboriginal Agency, and provides services to parents to support the issues being resolved collaboratively.
- The PLC team includes a lawyer and advocate. The lawyer provides parents with advice and representation to support them at an early stage, including at mediation and case conferences. The advocate supports parents in resolving the underlying issues that led to the protection concern, and liaises with community supports and resources for the client.
- A contract counsel will provide continuing service to parents prior to removal proceedings and assist parents up to the conclusion of the presentation hearing. Paralegal support assists parents to engage community and family supports, participate in programming, and participate in mediation without necessarily requiring counsel to attend.

### If Asked About Potential Future Sites

- PLC services will also be added to the LSS Terrace Regional Centre, but timelines for the incorporation of the PLC model will be determined at a later date.
- LSS PLC location sites were determined by consultation with Indigenous communities, the Ministry of Children and Family Development and other stakeholders.

### **FINANCES:**

- The province is providing funding of \$3.8 M plus \$2.8 M from contingencies per year (2018/2019, 2019/2020, 2020/2021) to LSS for expansion of the PLC model. This added to the \$0.4 M allocation from the ongoing Justice Innovation and Transformation Initiative funding results in a total of \$7 M annually for the PLCs.

### **STATISTICS:**

- The PLC pilot has been evaluated twice during its implementation and is achieving its outcome of earlier engagement (prior to court processes or child removal processes) and collaborative resolution processes.
- Early Engagement: 76% of clients (2016) and 73% (2017) of clients are engaging on or before the first court appearance. 53% of assessments for acceptance to the PLC were completed on the same day as initiated. Clients who opened their files when there was a risk of removal increased from 36% in 2016 to 47% in 2017, and those who opened their files when there was a new removal decreased from 45% in 2016 to 40% in 2017, meaning clients are accessing the PLC earlier in the child protection process.



**2019/20 ESTIMATES NOTE****Legal Aid Reform Response****KEY MESSAGES:**

- The AG asked Jamie Maclaren, QC, to undertake a review of legal aid services, focussing on service delivery effectiveness and efficiency from an end-user perspective.
- The report *Roads to Revival* provides 25 prioritized recommendations for “reviving” legal aid services.
- The recommendations address legal matters across the justice sector, including provision of information and legal services related to criminal, family, civil, Indigenous, immigration, refugee and poverty legal matters, and stress the need for an improved legal aid user experience, mixed models of service delivery and a diversity of services representative of community needs.
- The ministry will carefully review the report and determine next steps.
- Access to justice is an ongoing priority for the ministry. The ministry already has work under way related to a number of Mr. Maclaren’s recommendations:
  - expanded criminal and family duty counsel;
  - family law clinics;
  - Indigenous Services;
  - child protection clinics and resource centres; and
  - poverty law clinics.
- As a start, government committed \$.358 M in 2018 and a further \$2 M in 2019 to the Law Foundation of British Columbia to invest in its legal clinic network across the province.
- The response to the report will be considered in the context of government’s broader commitments with respect to access to justice, including the development of the Indigenous Justice Strategy, the Poverty Reduction Strategy, and the response to the recent Ombudsperson’s report with respect to access to justice for involuntary patients.

If Asked about Legal Services Society (LSS) funding

- LSS received a significant funding increase of \$26 M over three years (2018/19 – 2020/21) to expand legal aid and to fund and expand Justice Innovation Transformation Initiatives such as Expanded Duty Counsel for criminal and family matters and Parents Legal Centres.

If Asked about the Tariff Issue (Association of Legal Aid Lawyers' Proposal)

- Ministry representatives are working with ALL and LSS to develop a response to legal aid lawyers concerns.
- See Estimates Note JSB 1 – ALL Legal Aid Service Withdrawal and LSS Tariff Increase for a specific response to a potential legal aid service withdrawal.

If Asked about the Law Foundation Legal Clinics

- The Law Foundation of BC:
  - has a legislated mandate to ensure access to justice in five areas: legal education, legal research, legal aid, and law reform and law libraries;
  - funds approximately 90 ongoing programs delivering services in its mandated areas as well as granting funds for new projects and initiatives; and
  - is well positioned to provide new and existing legal clinics with coaching, tools and supports to enhance services provided.
- The current community legal clinics, supported by law students under the supervision of faculty and lawyers, provide free legal information and advice, addressing the challenges of affordability and geography, especially for those people living in remote areas.
- Additional funding will enhance the capacity of the clinics to deliver a wider range of services, especially to rural and remote communities

- Law Foundation funded services employ lawyers, law students, para-legal professionals and legal advocates to support access to legal aid for persons dealing with a myriad of legal issues, including poverty law issues.

**FINANCES:**

- LSS annual funding for 2019/20 through 2021/22 is \$86.8 M.
- The government will provide the Law Foundation \$2 M per year starting 2019/20 for legal clinics.

**STATISTICS:** N/A

**2019/20 ESTIMATES NOTE****Office of the Human Rights  
Commissioner (OHRC)****KEY MESSAGES:**

- Following eight-weeks of public engagement consultations, Parliamentary Secretary for Sport and Multiculturalism Ravi Kahlon released a report with 25 recommendations for establishing the new B.C. Human Rights Commission.
- The report outlines recommendations in five categories, including the commission's creation, purpose, functions, powers and early priorities. Additional recommendations related to the Human Rights Tribunal, the Human Rights Clinic and the Ministry of Attorney General are included.
- On November 1, 2018, the Government of British Columbia introduced Bill 50, *Human Rights Code Amendment Act, 2018*.
- The Act was granted Royal Assent on November 27, 2018 creating the Office of the Human Rights Commissioner as the 9<sup>th</sup> independent office in BC, aligning with the report's first recommendation.
- On November 26, 2018, the Legislative Assembly appointed a Special Committee to select and unanimously recommend the appointment of a Human Rights Commissioner (Commissioner). The Special Committee issued a call for applications which closed March 8, 2019.
- Effective February 11, 2019 the Chief Operating Officer for the OHRC was hired and began work to build the launch team.

**Next Steps**

- At the Special Committee's discretion, the appointment and announcement of the Commissioner is anticipated for Summer 2019.
- The launch team, responsible for all operational work required to open the OHRC, will be in place by the Spring. The target is to have the office operating by July 2019.

Human Rights Solution Explorer

- In their budget submission to the Select Standing Committee on Finance Ministry of Attorney General staff shared the concept of Human Rights Solution Explorer as a “front end” expert system that could deliver online services to any British Columbian with an internet connection.
- Should the Commissioner decide to move forward with this concept, service could be designed to have a 3-pillar approach with guided pathways to help the site visitor get to the most relevant service for their situation based on a series of questions the visitor answers: Human Rights Commission, Human Rights Tribunal or Human Rights Clinic.

**FINANCES:**Office of the Human Rights Commissioner (OHRC)

- The Select Standing Committee on Finance and Government Services (Committee) approves budgets for Independent Officers of the Legislature.
- The Ministry of Attorney General staff developed the OHRC’s first budget. The first budget was based on information-gathered from consultations with other independent offices, a cross-jurisdictional scan of other human rights commissions with similar operating models and projected funding needed to set up a new operation.
- On December 19, 2018 the Committee approved \$2.0 million in operating expenditures (requested \$2.96 million) and capital expenditures of \$1 million (requested \$1.66 million) for fiscal year 2019/2020.
- It is anticipated that the Commissioner would return to the Committee late 2019 to seek additional funding for 2020/2021 and future years.

**2019/20 ESTIMATES NOTE****Office of the Superintendent of  
Professional Governance****KEY MESSAGES:**

- The *Professional Governance Act* (PGA) was passed November 27, 2018. The Act applies to the five qualified professional (QP) regulators that oversee the natural resources professions and their members (engineers and geoscientists, foresters, biologists, agrologists, and applied science technologists and technicians).
- The Act consolidates and harmonizes key elements of professional governance across these bodies. Currently, four separate ministries are responsible for administering five separate governance statutes for the five QP regulators.
- Beginning in the spring of 2019, the new Office of the Superintendent of Professional Governance will provide a phased implementation for oversight of these five natural resource professions.
- The Office will strengthen government oversight for professional regulators to ensure best practices for professional governance are being implemented.
- The Office will also provide for centralized statutory authority for professional governance, including setting of consistent standards and administration of those standards.
- The Act establishes the Office with authority to oversee QP regulators and take action on behalf of government to ensure the public interest is being protected. QP regulators will continue to regulate QPs and their mandates and operations will become subject to the proposed new Act and the Office.
- The initial stage of implementation will enable the new Office and its policy, guidance, investigation and enforcement functions, and bring key provisions of the Act into force such as whistle-blower protection.
- During the implementation transition period, these authorities will operate alongside the existing governance statutes of the five professional regulators.

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May 16, 2019

- Regulations will be developed to support full implementation of the new Act, at which time the five governance statutes will be repealed.

## **BACKGROUND:**

- The Confidence and Supply Agreement (CASA) commitment was to “review and address failures in the professional reliance model in BC so that British Columbians’ faith in resource development can be restored.”
- A Professional Reliance Review (the Haddock Report) was conducted, which recommended a new Professional Governance Act (Act) and creation of an Office of the Superintendent of Professional Governance (Office).
- The Haddock report on professional reliance made two recommendations concerning professional governance. The first was to establish an independent Office of Professional Regulation and Oversight. Implementation of the second recommendation, to legislate critical elements of professional governance, began with the creation of the Professional Governance Act (received Royal Assent in November 2018) and will be fully implemented in phases (phase 1 being implemented this summer, timing on phase 2 and 3 to be determined by the Superintendent).
- Phase I focusses on establishing the Office and providing some statutory authority to the Superintendent; this requires a merit-based nomination process for council elections, the repeal of "advocacy" from the 5 current professional statutes, and to bring those 5 statutes and the PGA under the MAG with oversight by the Superintendent.
- Phase 2 of implementation (timing to be determined by the Superintendent) will bring the majority of the Act into force; at minimum all sections required to enable the professional regulators to operate under the PGA and full authority of the Superintendent will need to be brought into force. This phase will involve bring the 5 professional regulators under the PGA and will repeal the current 5 professional statutes. Although phase 2 will not be delivered this fiscal year, it will be implemented within the time Treasury Board has provided funding for the Office (funding until FY21/22).

- The final phase of implementation (phase 3) will bring in the remaining aspects of the Act that aren't likely to be implemented in phase 2 (e.g. regulation of firms, practice rights for all professions under the PGA, declarations of competency and conflict of interest).
- If additional professions are added under the PGA over time, the Superintendent will need to assess whether there is appropriate staffing for the increasing workload. Although it is more efficient for government oversight of multiple regulators to be done from a central location, the Office of the Superintendent will require additional resources at some point in the future, assuming the number of regulators under the PGA does continue to grow.
- Other agencies, such as the Charter Professionals in Human Resources of British Columbia and Yukon, have already approached the AG.
- One deliverable the Office will complete this FY will be a minor amendment to the PGA to allow the College of Applied Biology to raise their member fees without ratification from their membership so that the College can hire the staff necessary to do the work to come in line with the PGA when phase 2 is implemented.

### Resources

- The Superintendent will be a Band 6 position, and will be appointed to a 2 year term in June, 2019. The Superintendent will report to the Assistant Deputy Attorney General and ADM of Justice Services Branch, Ministry of Attorney General.
- The Superintendent will be assisted by 8 additional FTE's, including Senior Policy Advisors, Legislative Advisors and Policy Analysts. Hiring of these positions is underway.
- Total capital budget for 19/20 is \$300K and total operating budget for the Office for 2019/20 is \$.645 M. The Ministry of Environment and Climate Change Strategy has agreed for 20/21 and 21/22 to provide additional funding to bring up the total funding to \$1.0 M. An additional treasury board submission will be required for this level of funding long term.



- Should other agencies fall under the Office in the future, a revision of resources and funding will be required.

## 2019/20 ESTIMATES NOTE

## Cambie Surgeries Litigation v HMQBC

### KEY MESSAGES:

- This litigation concerns the prohibitions on extra billing under the *Medicare Protection Act* (MPA)<sup>s.13</sup>  
s.13
- In this litigation, two private clinics and four individual patients seek a declaration that the provisions of the MPA prohibiting extra billing and private medical insurance violate the rights of patients under ss. 7 & 15 of the *Charter*.
- These clinics took the government to court when the Medical Services Commission (MSC) sought to audit the clinics to determine whether they were engaged in extra billing. The Province expects and requires that all private clinics will come into full compliance with the law.
- The trial began on September 6, 2016, and was adjourned on April 10, 2017. The trial resumed on April 9, 2018,<sup>s.13</sup>  
s.13
- There are a number of intervenors, including Canadian Doctors for Medicare, the BC Health Coalition, patients sponsored by the BC Nurses Union, and the BC Anesthesiologists Society.
- The Attorney General of Canada became a party in March 2016 pursuant to an Amended Notice of Constitutional Question, and has submitted evidence in support of the Province's position.
- In fall 2018, the plaintiffs successfully applied for a Court order enjoining the enforcement of the prohibitions on extra billing and private insurance in sections 17, 18, and 45 of the *Medicare Protection Act* until June 1, 2019 or until further order of the Court.

- s.13

s.13

- s.13

s.14



**2019/20 ESTIMATES NOTE****Cannabis Legalization,  
Regulation and Litigation****KEY MESSAGES:**

- On October 17, 2018, the federal *Cannabis Act* and regulations came into force, legalizing and strictly regulating non-medical cannabis in Canada. Authorized medical cannabis has been legal in Canada since 2001.
- Under the new statutory scheme the federal government currently regulates production and manufacturing of cannabis and cannabis products and establishes industry-wide rules and standards.
- The federal government has committed to legalizing and regulating edibles, extracts and topical cannabis products no later than October 2019, and this work is underway.
- The provinces and territories have responsibility for wholesale distribution and retail, and related public health and public safety responsibilities (including compliance and enforcement activities). Provinces and territories also have authority for establishing within their jurisdictions: minimum age limits; restrictions on possession, public consumption and personal cultivation; and amendments to road safety laws.
- There are 3 pieces of relevant provincial legislation:
  - The *Cannabis Control and Licensing Act*, SBC 2018 c. 29, and regulations s.13
  - The *Cannabis Distribution Act*, SBC 2018 c. 28, and regulations s.13
  - Amendments to the *Motor Vehicle Act* (the *MVA*), SBC 2018, c. 18, s.13

s.13

s.13

**FINANCES:**

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s.14

s.14

s.13

**2019/20 ESTIMATES NOTE****CGL Pipeline Protests****KEY MESSAGES**

- The Coastal GasLink (CGL) Project (the “CGL Project”) represents great opportunities for all people in British Columbia,<sup>s.13</sup>

s.13

- s.13; s.16

- CGL has met all government conditions placed on LNG development in BC.

s.13

- The court injunction is about the company being able to access areas beyond the healing centre, on a forest service road.<sup>s.13</sup>

s.13

s.13

On April 15, 2019 the Unist’ot’en removed the gate and guard house on the forest service road adjacent to the healing centre.

- s.13; s.16

s.13

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s.13

- As this matter is currently before the courts, it would be inappropriate to comment further.

s.13

- There are extensive regulatory requirements placed on both LNG Canada and CGL as a result of the environmental assessment process and the BC Oil and Gas Commission's (OGC) permitting processes. The BC Environmental Assessment Office's website provides more details about the regulatory requirements and certificate conditions.

s.13

## FINANCES

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**2019/20 ESTIMATES NOTE****Cost Recovery - Legal Services  
Branch****KEY MESSAGES:**

- Under a 2002 Treasury Board Directive, the Legal Services Branch (LSB) of the Ministry of Attorney General recovers the costs associated with providing most legal services to government.
- The charge back rates were last increased effective April 2016.
- A client satisfaction survey conducted in 2011 showed that government's client representatives have high satisfaction levels with LSB (90 per cent), with 81 per cent of client representatives agreeing that LSB provides value for money.

**If asked about actual recoveries and expenditures:**

- For fiscal 2018/19: total expenditures were \$116.1M, with \$88.9M in recoveries for \$27.2M net expenditures.
- For fiscal 2017/18 total expenditures were \$110.3M, with recoveries of \$90M, for \$20.3M in net expenditures.

**FINANCES:**

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s.14



**2019/20 ESTIMATES NOTE****Crown Proceeding Act –  
Settlements****KEY MESSAGES:**

- The *Crown Proceeding Act* vote is a statutory appropriation. Expenditures to the account can be of three (major) types:
  - Payments as a result of decisions;
  - Payments as a result of settlements; and
  - The creation of liabilities where there is a reasonable prospect of loss, and where that loss can be quantified. These are charged to the account on an accrual basis, when the prospect of loss and quantum of loss can be determined with reasonable certainty.
- Settlement amounts can be disclosed once the proceeding has concluded and the Comptroller General has tabled the annual report before the Legislature under s. 15 of the *Crown Proceeding Act*.
- The process under s. 15 is the only mechanism for the disclosure of information relating to settlement amounts.

s.13

s.13; s.22

s.14

**FINANCES:**

- Estimates – Fiscal Year Ending March 31, 2020 - Vote 15 – Ministry Operations Pages 45-47.
- Estimates – Fiscal Year Ending March 31, 2020 - Vote 17 – Crown Proceeding Act Page 49.
- The CPA Budget is \$24.5 M annually. This budget is used to pay judgments, arbitration awards, settlements and court ordered costs.

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May 1, 2019

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**2019/20 ESTIMATES NOTE****Draft Principles that Guide the Province of British Columbia's Relationship with Indigenous Peoples****KEY MESSAGES:**

- The Draft Principles that Guide the Province of British Columbia's Relationship with Indigenous Peoples (the "Draft Principles") are based on those introduced by the federal government in 2017, <sup>s.13</sup>

s.13

- The Draft Principles are in keeping with every Ministry's mandate to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Truth and Reconciliation Commission of Canada: Calls to Action (TRC),

s.13

- The Province of British Columbia has committed to being the first province in Canada to introduce legislation to implement UNDRIP. The legislation is being developed in cooperation with the First Nations Leadership Council and other Indigenous organizations.

- Generally, the Draft Principles are intended to address:

"The right of Indigenous peoples to self-determination and self-government, and the responsibility of government to change operating practices and processes to recognize these rights.

- o The standard of conduct that government employees must demonstrate in all dealings with Indigenous peoples.
- o The need for treaties, agreements and other constructive arrangements, to be based on recognition of inherent rights and respect."

s.13

- Legal Services Branch's education and training initiatives include:
  - o April 2016 - Hosted a session led by the Honourable Justice Murray Sinclair, Chair of the TRC, to educate staff on the TRC's Calls to Action, the history of residential schools, and Aboriginal-Crown relations.
  - o November 2017 - The Indigenous Legal Relations group held a session led by Ry Moran, Director of the National Centre for Truth and Reconciliation, to learn about the TRC's Calls to Action and how to participate in ensuring government's commitments to reconciliation are fulfilled.
  - o December 2018 – Indigenous Legal Relations group held a Lawyer Professional Development session entitled "Update on the United Nations Declaration on the Rights of Indigenous Peoples: What the Draft Principles and Truth & Reconciliation Commissions Calls to Action Mean for your Practice".

#### **FINANCES:**

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s.14

s.13

**2019/20 ESTIMATES NOTE****Greenhouse Gas References****KEY MESSAGES:**

- British Columbia has intervened in Saskatchewan and Ontario to support the constitutionality of the Federal *Greenhouse Gas Pollution Pricing Act*.
- Canada can only meet its Greenhouse Gas (GHG) commitments if all provinces adequately price emissions.<sup>s.13</sup>
- On May 3, 2019, the majority of the Saskatchewan Court of Appeal agreed with BC's argument and upheld the *Act*. Arguments completed in Ontario on April 19, 2019, and no decision has been released.
- Saskatchewan has said it will appeal to the Supreme Court of Canada.<sup>s.13</sup>
- As this matter is before the Courts, it would be inappropriate for me to comment further.

s.13

**FINANCES:**

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s.13

**2019/20 ESTIMATES NOTE****Heavy Oil Transport Reference****KEY MESSAGES:**

s.13

## ● s.13

The Province has responded to Trans Mountain's permit requests promptly and in accordance with the law<sup>s.13</sup>

- The Court heard arguments from the provincial and federal governments, Alberta, Saskatchewan, Vancouver, Burnaby, Indigenous groups, environmental organizations and industry groups March 18-22, 2019. The Court will render its decision in writing when it is ready to do so.

s.13

**FINANCES:**

- Estimates – Fiscal Year Ending March 31, 2020 - **Vote 15 – Ministry Operations**  
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**2019/20 ESTIMATES NOTE****Indemnity Policy and Practices  
Overview****KEY MESSAGES:**

- Providing legal assistance and indemnities to public servants acting in the course of their employment is essential to the protection of the Crown's interests, the fair treatment of public servants and the effective management of government.
- Indemnity coverage is provided under the *Excluded Employee (Legal Proceedings) Indemnity Regulation* (the "Regulation"), under collective agreements, where applicable, and by way of special indemnities pursuant to s. 72 of the *Financial Administration Act* where coverage is not otherwise available.
- Indemnity coverage under the Regulation is available to current or former excluded employees and members of the executive branch of government. It is not available to MLAs, except for those serving as members of the executive in relation to matters arising from that role.

s.13

**FINANCES:**

- Refer to Risk Management Branch – Ministry of Finance
- Estimates – Fiscal Year Ending March 31, 2020 - **Vote 15 – Ministry Operations**  
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s.14



s.14

s.13

**2019/20 ESTIMATES NOTE****Indigenous Claims and Fee Simple Lands****KEY MESSAGES:**

- There are a number of claims by First Nations that include private, fee simple lands.

s.13; s.16

- s.13 the Province will continue to work collaboratively with First Nations to ensure they have a meaningful role in land and resource management, and that they share the resulting benefits and economic opportunities.

s.13

- As these matters are before the courts, I cannot comment further on these claims.

**FINANCES:**

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s.14

s.14

s.13

**2019/20 ESTIMATES NOTE****Indigenous Litigation Cases and Budget****KEY MESSAGES:**

- The budget for Indigenous Litigation is \$6.5 million.
- The actual expenditures for FY 2017/2018 were \$8.4 million, which includes \$4.3 million in services recovered from clients.
- Actual expenditures from April 1, 2018 to January 31, 2019 are \$6.1 million, which includes \$2.2 million in services recovered from clients.

**FINANCES:**

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s.14

s.13

**2019/20 ESTIMATES NOTE****Li v. HMQBC Class Action****KEY MESSAGES:**

- This is a proposed class action challenging the constitutionality of the additional property transfer tax (the “Tax”) payable by foreign nationals and foreign corporations who acquire residential property in Metro Vancouver and other specified housing markets in British Columbia. The Tax has been in effect since August 2, 2016.
- The Tax is one of a suite of measures enacted by the government to address the problem of housing unaffordability in the Province.
- As the matter is before the courts, it would be inappropriate for me to comment further.

**FINANCES:**

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s.14







**2019/20 ESTIMATES NOTE****Litigation Costs – Indigenous and Other Major Cases****KEY MESSAGES:**

s.13; s.22

s.13

- Legal costs are not unexpected and the ministries include legal costs in their budgets.

s.13

- Settlements are funded from the *Crown Proceeding Act* <sup>s.13</sup>

s.13

- The *Crown Proceeding Act* vote is a statutory appropriation. Expenditures to the account can be of three (major) types:
  - Payments as a result of decisions;
  - Payments as a result of settlements;

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- The creation of liabilities where there is a reasonable prospect of loss, and where that loss can be quantified<sup>s.13</sup>

s.13

## FINANCES:

- Estimates – Fiscal Year Ending March 31, 2020 - **Vote 15 – Ministry Operations**  
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- Estimates – Fiscal Year Ending March 31, 2020 - **Vote 17 – Crown Proceeding Act** Pages 49

s.14

s.13

**2019/20 ESTIMATES NOTE****Litigation Outside Counsel  
Retainers****KEY MESSAGES:**

- The *Attorney General Act* establishes the Attorney General's roles as the legal advisor to government and the representative of government in legal proceedings.
- The Legal Services Branch is empowered under the Act to provide legal advice to client ministries and retain, contract or employ persons to provide legal services.
- Typically legal services are provided to ministries and agencies by legal counsel employed within the branch. However, in cases where there is a conflict, a requirement for a particular area of expertise, services in another geographic area, and/or workload pressures, outside counsel will be retained. These retainers are supervised by legal counsel in the branch.
- Outside counsel fees are managed according to the Outside Counsel Fee Tariff.  

s.13
The global cost

 for outside counsel retainers in fiscal 2017/18 was \$33.7 million. The cost for 2018/19 was \$35.4 million.
- Selection of outside counsel is carried out according to the following process, which ensures compliance with core government procurement policies:
  - Outside counsel are chosen from the branch's Outside Counsel Prequalified List.
  - Outside counsel may prequalify by submitting an application to the branch including work history, years of call, expertise and references. If a firm is applying to get on the prequalified list, every lawyer in that firm that wishes to be qualified must submit the required information.
  - In addition, lawyers wishing to do government work involving individuals at risk, such as children, must undergo a criminal record check.

- All outside counsel applications are submitted to the branch's Manager of Procurement and Contracts who reviews the information and follows up as appropriate (e.g., reference checks) before adding lawyers.
- Supervisors within the branch and client ministries must both approve outside counsel appointments in accordance with the fee tariff;
- Final approval for outside counsel appointments rests with the Assistant Deputy Attorney General, Legal Services Branch.
- In fiscal 2017/18 there were 1,455 active retainers, appointments and contracts with outside counsel:
  - 330 general outside counsel retainers;
  - 1,023 family law appointments; and
  - 102 family law contracts.
- In fiscal 2018/19 there have been 1,549 active retainers, appointments and contracts with outside counsel:
  - 538 general outside counsel retainers;
  - 911 family law appointments; and
  - 100 family law contracts.

## FINANCES:

- Estimates – Fiscal Year Ending March 31, 2020 - Vote 15 – Ministry Operations Pages 45-47
- The LSB Contract budget is \$36.1 million.

s.14

**2019/20 ESTIMATES NOTE****Opioid Litigation****KEY MESSAGES:**

- BC commenced a class action (HMQ v. Apotex) on behalf of all federal, provincial and territorial governments on August 29, 2018, and subsequently enacted the *Opioid Damages and Health Care Costs Recovery Act (ODHCCRA)*.
- The claim is against the manufacturers and distributors of opioid products to recover the cost of treating opioid-related disease caused by the industry's wrongful conduct.
- BC has alleged that the manufacturers and distributors engaged in deceptive marketing tactics with a view to increase sales, resulting in increased rates of addiction and overdose.
- The *ODHCCRA* closely mirrors the *Tobacco Damages and Health Care Costs Recovery Act* and allows the government to prove its claim by reference to statistics.
- As the matter is before the Courts, it would be inappropriate for me to comment further.

**FINANCES:**

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s.14

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**2019/20 ESTIMATES NOTE****Site C Project (West Moberly & Prophet River)****KEY MESSAGES:**

- On December 11, 2017, the Province announced it would complete the Site C Project (the “Project”), after a review by the BC Utilities Commission, on the basis that the significant sunk, termination and remediation costs of approximately \$4 billion would be lost if cancelled, and would be passed on to ratepayers or taxpayers.
- All of the legal challenges brought to date with respect to the Project have been dismissed or discontinued with the exception of civil claims initiated in January 2018, by the West Moberly and Prophet River First Nations <sup>s.13</sup>

s.13

- Based on their claim, West Moberly sought an injunction to halt construction which was dismissed on October 24, 2018. All parties have now agreed to a case plan that provides for a 120 day trial, beginning on March 14, 2022.
- On February 26, 2019, the Province, BC Hydro, the West Moberly and Prophet River First Nations, announced that they have agreed to enter into confidential discussions to seek alternatives to litigation related to the Project. <sup>s.13</sup>

s.13

- On December 14, 2018, the Chair of the UN Committee on the Elimination of Racial Discrimination (UNCERD) wrote to Canada’s Representative to the UN in Geneva seeking responses to a number of issues about Site C and in particular in regard to “free, prior and informed consent”, the Project’s impact on “indigenous peoples control and use of their lands and natural resources”, and the potential permanent effects on Indigenous land rights as a result of the Project. Canada has sent its response, which <sup>s.13</sup> outlines engagement efforts undertaken by BC Hydro and the Province to consult with and accommodate potentially affected Indigenous groups. The

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May 14, 2019

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response also reflects the decisions of Canadian courts which found that the Crown had fulfilled its constitutional obligations to consult.

- Approval of the Project followed a three-year federal-provincial environmental assessment process, which included two months of public hearings in Peace region communities under an independent federal/provincial Joint Review Panel.
- The federal Environmental Assessment decisions and the provincial Environmental Assessment Certificate (EAC) for the Project include 17 federal and 77 provincial conditions with which BC Hydro must comply.
- Approval of the Project by the BC Environmental Assessment Office followed years of consultation with potentially affected communities and First Nations.
- BC Hydro has all of the environmental approvals, provincial permits and federal authorizations in place for the work it is currently undertaking.

If asked about why BC Hydro is continuing its construction activities:

- BC Hydro has all environmental approvals, provincial permits and federal authorizations in place for the work currently underway for the Project.
- All legal challenges heard and determined by the courts to date have upheld the challenged statutory decisions.
- The provincial government will respect any orders made by the courts and will expect BC Hydro to do the same.

If asked about the timeline for delivering Canada's response to the UNCERD:

- The letter from UNCERD requested Canada's response by April 8, 2019, however that date did not provide sufficient time for preparation of the response. Canada sent its response to the UN on May 10, 2019.

**FINANCES:**

- Estimates – Fiscal Year Ending March 31, 2020 - **Vote 15 – Ministry Operations**  
Pages 45-47

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Contact: Erin Christie	Tel: 250-387-0313	Mobile: 517- - - - -
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**2019/20 ESTIMATES NOTE****Treaty 8 Boundary Appeal (West Moberly)****KEY MESSAGES:**

- The West Moberly, Sauteau, Halfway River, Doig River, and Prophet River First Nations (the Plaintiffs), all Treaty 8 beneficiaries, commenced an action in 2005 for a declaration that the western boundary of Treaty No. 8 follows the Arctic/Pacific watershed, located considerably to the west of the Rocky Mountains. <sup>s.13</sup>

s.13

- s.13

- On September 25, 2017, Mr. Justice Johnston of the Supreme Court of British Columbia declared that the western boundary of Treaty 8 is the height of land along the continental divide between the Arctic/Pacific watersheds.
- The Province and the KDC both filed notices of appeal with the BC Court of Appeal on October 25, 2017. <sup>s.13</sup>

s.13

s.13      The appeal was heard on March 11 to 13, 2019, before a division consisting of Bauman CJBC, Smith D. and Goepel JJA, and is reserved.

- As the matter is before the courts, I cannot comment further on this claim.

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April 9, 2019

**FINANCES:**

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s.14

s.14

**2019/20 ESTIMATES NOTE****UNDRIP, TRC, Federal 10 Principles****KEY MESSAGES:**

- The federal government has committed to achieving a renewed relationship with Indigenous peoples, based on the recognition of rights, respect, co-operation and partnership.
- The federal government is currently undertaking a review of laws and policies to ensure the Crown is meeting its constitutional obligations with respect to Indigenous and treaty rights, adhering to international human rights standards (including the UN Declaration on the Rights of Indigenous Peoples, or UNDRIP), and supporting implementation of the TRC calls to action.
- The Province has also committed to fully adopting and implementing UNDRIP.
- Each Cabinet minister has received instructions to review policies, programs, and legislation to determine how to bring the principles of UNDRIP into action.
- The Province has already undertaken a number of steps to implement the TRC calls to action and has announced Draft Principles that guide the Province of British Columbia's Relationship with Indigenous Peoples.

s.13

s.13

**FINANCES:**

- Estimates – Fiscal Year Ending March 31, 2020 - **Vote 15 – Ministry Operations**  
Pages 45-47

s.14

s.13

**2019/20 ESTIMATES NOTE****Business Technical Advisory Panel  
Action Plan****KEY MESSAGES:**

- The Business Technical Advisory Panel was convened in the fall of 2017 to provide industry with an opportunity to make recommendations to improve efficiency and business relations between government and the liquor industry.
- Eight key industry organizations were represented on the Panel, and Mark Hicken was appointed the chair.
- The Panel completed its final report in April of 2018 which included 24 recommendations that represent industry's most important issues to be addressed by government.
- Our ability to respond to those recommendations was delayed as a result of the work that had to be done for the legalization of non-medical cannabis.
- The Liquor and Cannabis Regulation Branch and the Liquor Distribution Branch (LDB) have now devoted policy resources to do the necessary analysis that will allow us to make informed decisions on the recommendations.
- We have an action plan that includes consultation with industry, health experts and labour organizations to ensure that we get it right, and we have been clear that any actions taken must consider our trade obligations.
- To date:
  - We responded to Recommendation 23 regarding the licensing of trade events and the purchase of products used for sampling by making policy changes that reduce the cost of industry sampling events and reduces the amount of product discarded.
  - We have responded to Recommendations 1 and 3 by commissioning an independent review of wholesale liquor distribution in the province and the distribution of LDB non-stocked products.



○ s.17

- We are responding to Recommendation 17 by working with other provinces, territories and the federal government to explore how interprovincial trade in alcohol can be enhanced; we hope this will lead to more consumer choice and expanded sales channels for BC manufacturers.
- We are responding to Recommendation 18 by initiating consultation with the brewery sector on proposed minimum requirements to obtain, and retain, a provincial brewery licence.
- In the coming weeks and months, we will have more to say on the other recommendations, including the development of a model to tie minimum price to alcohol content and the request for hospitality pricing on liquor purchases.

**FINANCES:**

- N/A

**STATISTICS:**

- N/A

**CROSS REFERENCE:**

- **LDB 10** – Hospitality Pricing

**2018/19 ESTIMATES NOTE****Compliance & Enforcement (Statistics)****KEY MESSAGES:**

- The Compliance and Enforcement Division (C&E) of the Liquor and Cannabis Regulation Branch (LCRB) is responsible for ensuring public safety and compliance with provincial liquor and cannabis laws at over 10,300 licensed establishments and over 28,000 special events held annually.
- In 2018, due to staff turnovers, 24 inspectors conducted 13,174 across the province. A number of vacancies had been filled throughout the year. There are currently 34 inspectors on staff.
- Police also inspect establishments and inform LCRB of observed contraventions.
- The vast majority of establishments that are inspected are compliant.
- LCRB staff work closely with licensees and permittees to ensure they understand their responsibilities.

If asked about number of employees or budget:

- C&E has 63 FTE's, comprising deputy manager, director, managers, inspectors, investigators and admin.
- The C&E budget was \$3.4 million in both 2017/2018 and 2018/2019 fiscal years.

**STATISTICS:**

2018 Inspections	Minors as Agents	Non-Minors as Agents	Total
Enforcement Inspections	178	12,996	13,174
Contraventions Identified*	21	828	849
Contraventions Pursued	20	108	128
Notices of Enforcement Action (NOEA) Issued ( <u>a NOEA may include more than 1 contravention</u> )	20	63	83**

*\*C&E also identified 1,737 compliance deficiencies, not included here. Compliance deficiencies represent minor administrative issues, which are nonetheless documented. Licensees are given the opportunity to rectify compliance deficiencies without involving more formal C&E processes.*

*\*\*The 83 enforcement actions resulted in 202 licence suspension days and \$141,500 in monetary penalties. 3 still in progress. 5 were not proven.*

Top Ten Alleged Contraventions Identified in 2018					Occurrences	
Fail to keep a register of liquor purchases					96	
Fail to provide access to approved floor plan					68	
Requirements for liquor quantities and prices list					52	
Contravene Term and Condition					46	
Make structural alteration to service area without amending licence					32	
Allow liquor to be taken from the service area					32	
Fail to post licence, authorization or permit					27	
Manufacturer specific - Contravene Term and Condition					26	
Allow an intoxicated person to enter or remain in a service area					25	
Food Primary specific - Contravene Term and Condition					23	
Top Ten Alleged 2018 Contraventions Pursued to Enforcement Action					Occurrences	
Sell, give or otherwise supply liquor to a minor					19	
Allow an intoxicated person to enter or remain in a service area					9	
Allow liquor to be taken from the service area					8	
Fail to ensure employee does not consume liquor while working					7	
Contravene Term and Condition - Unauthorized advertising or signs					5	
Food Primary specific - Contravene Term and Condition					4	
Contravene Term and Condition - Exceed maximum drink size					4	
Liquor Primary specific - Fail to clear patrons within 1/2 hour after the end of the hours of liquor service					4	
Purchase liquor other than from LDB or designated store					3	
Sell or serve liquor outside the hours of liquor service specified on licence					3	
Inspections & Compliance*	2013	2014	2015	2016	2017	2018
Liquor inspectors	33	28	31	32	32	24**
Enforcement inspections	13,399	11,784	9,923	11,950	13,980	13,174
Compliance rate	97%	98%	96%	96%	97%	94%

\* Does not include Special Event Permits, or Government Liquor Store/Rural Agency Store Minors as Agents inspections. In 2018, there were 3 Cannabis Retail Store inspections with no issues.

\*\* The drop in the number of inspectors was the result of people leaving for jobs elsewhere, retiring or being promoted to management positions, coupled with recruitment challenges in filling all positions in the branch. The LCRB recently hired 7 new inspectors. There are 34 inspectors on staff currently. And competition posting is active in hiring more staff.

**2019/20 ESTIMATES NOTE****Dormancy (of Licences)****KEY MESSAGES:**

- A licence is dormant when the licensed business is closed.
- Licences are meant to be operated and not 'stored'.
- A legislative change in January 2017 established a two-year maximum dormancy period, after which the licence must resume operation or be cancelled.
  - There are no prescribed minimum operating requirements to maintain a licence. A one-size fits all approach for all licensees would be unfair.
  - Instead, LCRB applies a reasonableness test to determine whether businesses are operating. This provides flexibility for licensees to do business in a manner that meets their needs and the demands of their community.
- Licensees receive clear information about the two-year time limit at multiple points to ensure they understand their responsibilities to maintain the licence.
- 92 licences were cancelled on January 23, 2019, as there was previously no limit on how long a licence could be dormant. Many of the impacted licences had not operated for longer than two years, some for more than a decade.
  - For businesses that closed before January 23, 2017, the two-year period started on January 23, 2017. For all other businesses, the two-year period starts on the date they close.
- Going forward, LCRB expects the number of licences cancelled annually for exceeding the maximum dormancy period will be relatively small.
- Licensees may request extended dormancy (i.e. longer than 2 years) in specific prescribed unavoidable circumstances, such as fire or flooding; or if construction cannot be completed by the end of the dormancy period for reasons beyond their control.

**FINANCES:**

- N/A

**STATISTICS:**

- Approximately 80 licences have been cancelled since January 23, 2019, including two licensee retail stores and seven off-site wine stores.

**2019/20 ESTIMATES NOTE****Fit and Proper Determination  
(Applicants/Licensees)****KEY MESSAGES:**

- Key suggested response points only
  - Under the LCL Act and CCL Act, GM has the authority to determine the fit and proper of applicants and licensees.
  - For determination under liquor, LCRB investigators are assigned to investigate the security backgrounds and to conduct financial integrity assessments on applicants and/or existing licensees.
  - For determination under non-medical retail cannabis, security backgrounds on applicants are assigned to Security Program Division to conduct background checks where LCRB investigators and auditors are assigned the investigations on financial integrity assessments.
  - Under the LCRB Licensing Policy, a fit and proper assessment is conducted to determine an applicant or licensee:
    - be of good reputation and character, who does not have a history of behaviour that would render the person unsuitable to hold a licence;
    - not be involved in criminal activities or associated with anyone involved in criminal activities;
    - not be a member, or meaningfully associated with a member, of an organized crime group; and,
    - have financial integrity. The funding involved or in support of the licence must not be from a criminal source or associated with any criminal source.
- Currently, the LCRB has 5 investigators and 1 Manager of Investigations.
- The auditing team consists of: 1 LCRB auditor with current competition for 2 additional auditors to be hired, 2 contracted auditors and 4 auditors on loan from GPEB.

**FINANCES:**

- Budget allocated to the auditing unit 2018-2019:
- On staff auditor - \$42,000; contracting auditors' total - \$65,000; GPEB auditors - \$174,669.
- Budget allocated to the investigation unit:
- \$650,000 for 7 FTE.

**STATISTICS:**

- In 2018, there were 10 Fit and Proper Investigations assigned for liquor determination;
- YTD, there are 160 non-medical cannabis financial integrity assessments assigned to our investigation and auditing unit.
  - 160 assigned for 2018
  - 95 assigned for 2019
  - Approximately 80 pending assignment
  - 92 completed



**2019/20 ESTIMATES NOTE****Indigenous Nations and Cannabis  
Non-medical Retail Licensing****KEY MESSAGES:**

- Many Indigenous Nations have expressed interest in being involved in the cannabis market in both production and retail. They have requested a wide range of government actions to ensure they derive economic benefits from this emergent market.
- The Cannabis Legalization and Regulation Secretariat (the Secretariat) established a working group with the First Nation Leadership Council in June to explore common interests.
- The Liquor and Cannabis Regulation Branch (LCRB) has reached out to those nations who have expressed interest in becoming retail licensees and assisted them in navigating the application process.
- There are currently three active applications for licences on Indigenous Nations land. Legislation requires First Nations make a positive recommendation regarding any retail licence applications on their lands (Indian Reserves, treaty settlement lands, or Nisga'a lands).
- Legislative provisions allow for government to enter into agreements with Indigenous Nations and potentially modify aspects of the current regulatory regime. No such so called 'Section 119 Agreements' have yet been negotiated or entered into.

**FINANCES:**

- N/A

**STATISTICS:**

- LCRB and the Secretariat has engaged directly with approximately ten Indigenous Groups.
- No licences have been issued on Indigenous lands

**BACKGROUND:**

Some Indigenous groups have asserted jurisdiction over retail licencing on Indian Reserves. The Community Safety Unit (PSSG) will be assessing these illegal market operators as they will other such illegal operations in the province.

**2019/20 ESTIMATES NOTE****Liquor Licensing Timelines****KEY MESSAGES:**

- Licensing timelines are a priority for the Branch.
- The Branch's goal is to treat all licensees and applicants fairly and provide the best service possible to licensees and the broader public.
- The Liquor and Cannabis Regulation Branch (LCRB) is committed to ensuring that the licensing division, which is a key team in delivering services to citizens, is set up for success into the future.
- The licensing division has done a number of things to improve licensing timelines and ensure consistency, including:
  - Reorganizing the licensing division, including creating a client support team staffed by 9 FTEs dedicated to answering licensee questions and issues;
  - Hiring additional staff, including frontline and leadership positions in areas with the highest backlog; and,
  - Updating procedural manuals and conducting ongoing training initiatives with a service delivery focus.
- Application timelines have dependencies attached to them, such as receiving complete applications or requiring/awaiting local government (LG) approval or comment.
- LCRB is moving towards a greater degree of concurrent activity between the branch and LG's in the licensing process.
- We now allow LG's to opt out or delegate some decision making to their staff, which in some cases avoids waiting for council resolutions.
- The branch will be embarking on a transformation of liquor licensing to provide for greater automation in both application and licence processing. This project will leverage the architecture developed for cannabis licensing.

**FINANCES:**

- N/A

**STATISTICS:**

- Calculated as date application received by LCLB to date of licence issuance, from January 1 to December 31 of year specified.
- LCLB timeline statistics are averages and do not account for LG approval time and applicant construction periods that would protract LCRB's ability to issue a licence.

Table 1: Annual Average Number of Months to Acquire Licence by Type

Application Types	2016	2017	2018	Estimated Timeline for 2019
New Food Primary	4	3	3.6*	1-2
New Liquor Primary	13	13	12.9	8-11
New Manufacturer	9	11	9.5	6-10
New UBrew/Uvin	2	5	2.9	1-2
Structural Changes	6	6	7.6*	4-6

\*Reorganization of division, and resources deployed on cannabis launch as rationale for slight increase in timelines over previous years.

**2019/20 ESTIMATES NOTE****Non-medical Cannabis Licensing  
Timelines and Process****KEY MESSAGES:**

- Licensing of non-medical cannabis retail has proceeded more slowly than intended given a variety of challenges, including federally mandated timelines, local government readiness and timelines in completing a rigorous security screening of applicants.
- Compared to other provinces, British Columbia has a more complex retail cannabis model with both public and private stores. Additionally, unlike in Alberta, operating a store prior to legalization is not disqualifying in applying to become a legal licensee.
- The application portal for non-medical cannabis retail stores opened on August 10, 2018.
- In order to apply for a non-medical cannabis private retail store licence, applicants must submit a completed application form and completed business financial integrity form. Applications cannot be assessed without the completed application forms, fee payment, and supporting business and financial documentation.
- The application review process includes rigorous security screening and robust licensing requirements necessary to ensure that provincial goals concerning public health and safety are met; such due diligence requires additional time in assessing applications thoroughly.
- In accordance with government's goal of keeping organized crime out of the legal cannabis industry, all associates must consent to security checks.
- All applications are referred to the local government or Indigenous nation in the area where the store will be located, and a recommendation must be received before the Province will issue a licence.

- As of April 29, 2019, the Liquor and Cannabis Regulation Branch (LCRB) has received almost 500 paid applications from a variety of regions across the province.

**FINANCES:**

- N/A

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**2019/20 ESTIMATES NOTE****Retail Cannabis Edibles, Oils and Extracts****KEY MESSAGES:**

- The Government of Canada (Health Canada) has proposed regulations governing the production and sale of edible cannabis, cannabis extracts, and cannabis topicals.
- The Cannabis Legalization and Regulation Secretariat consulted across provincial ministries, including the Liquor and Cannabis Regulation Branch (LCRB) and provided the federal government feedback on the proposed regulations.
- The LCRB is undertaking analysis to determine if any amendments to the *Cannabis Licensing Regulation* (CLR) and the Cannabis Retail Store Licence Terms and Conditions will be required.
- Similarly, the Secretariat is undertaking analysis to determine if any amendments to the *Cannabis Control and Licensing Act* and *Cannabis Control Regulation* will be required.

If asked about the Government of Canada's proposed regulations

- From December 20, 2018 to February 20, 2019, Health Canada held a public consultation on proposed regulations governing the production and sale of edible cannabis, cannabis extracts, and cannabis topicals.
- There were two main parts to the proposal:
  - Add edible cannabis, cannabis extracts and cannabis topicals to the classes of cannabis that can be sold by authorized persons.
  - Establish new regulatory controls to address the public health and safety risks associated with these new classes and allow for a broader variety of product forms within these new classes.
- Proposed controls include:
  - Additional production requirements to prevent contamination;

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- Varied THC limits and lower possession limits and smaller package sizes for products that are higher in THC content;
- Additional label requirements such as a list of ingredients; and
- Introducing the use of metal containers, food-grade packaging and new maximum package sizes.
- The proposed controls aim to reduce the appeal of these additional cannabis products to youth and the risks of accidental consumption, overconsumption, foodborne illness, dependence and other effects.
- The proposed rules also forbid or significantly restrict the addition of ethyl alcohol, caffeine and sweeteners in the production of edibles.

If asked about social responsibility initiatives related to edibles, oils and extracts

- The federal government is in the best position to provide early information and education to consumers about cannabis edibles, extracts, and topicals. The Province has encouraged the federal government to provide public education and awareness specific to these new products so that consumers are aware of the health and safety risks and can make informed consumption decisions.

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- As part of its mandate to minimize the health and social harms of cannabis, the LCRB is currently developing social responsibility materials with respect to non-medical cannabis use.
- The Liquor Distribution Branch (LDB) is currently drafting social responsibility initiatives relating to edibles and extracts, in addition to its current cannabis social responsibility campaigns.

**FINANCES:**

- N/A



**2019/20 ESTIMATES NOTE****Social Responsibility – Liquor and Cannabis****KEY MESSAGES:**

- The regulatory framework is in place to help mitigate and reduce the health and safety related harms associated with alcohol use.
- Social responsibility initiatives are intended to increase public safety, increase public awareness about responsible consumption, and ensure licensees and their employees are educated about the products they sell.
- The Liquor and Cannabis Regulation Branch (LCRB) works with the Ministry of Health and other government and industry stakeholders to encourage healthy decisions around alcohol and non-medical cannabis use.
- The LCRB works with cross-government partners on social responsibility. For example, the LCRB and the Ministry of Health are co-leading a social responsibility working group that will feed into larger Deputy Minister and Cabinet decision-making structures.

Liquor

- All establishments that are licensed to serve or sell liquor in BC are required to post social responsibility materials.
- These materials are developed collaboratively between the LCRB, Liquor Distribution Branch, the Ministry of Health and industry stakeholders, who reach consensus on the message.
  - The upcoming iteration of posters will focus on a continued message of moderation and directing consumers to more information on Canada's low-risk drinking guidelines.
- Mandatory display materials are provided free of charge to industry and will be refreshed up to three times per year.

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Cannabis

- LCRB is developing non-medical cannabis social responsibility processes similar to those in liquor.
- The Liquor Distribution Branch has produced social responsibility material which will be used for the 2019/2020 fiscal year.
- Going forward, LCRB will collaborate with the Liquor Distribution Branch, the Ministry of Health and industry stakeholders to develop social responsibility materials.
- A key priority is to protect and promote public health and safety.
- This includes establishing a safe and responsible non-medical cannabis market, reducing the illegal market and addressing cannabis-impaired driving.

**FINANCES:**

- The social responsibility budget in the 2018/2019 fiscal year was \$35,000 for liquor and \$35,000 for cannabis, for a combined total of \$70,000.

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**2019/20 ESTIMATES NOTE****Wine in Grocery Trade Compliance****KEY MESSAGES:**

- There are two licence types that currently sell 100% BC wine on grocery store shelves: Special Wine Store licences and BCVQA Wine Store Licences.
- In order to meet the commitment made in the Canada-United States-Mexico Agreement (CUSMA) side letter, and avoid additional World Trade Organization (WTO) challenges, government will eliminate measures that restrict the sale of wine on grocery store shelves to BC only wines by November 2019.
- The province will not issue any further licences which would restrict sales to BC only liquor products to avoid further challenges with trade partners.

Canada-United States-Mexico Agreement

- The Government of Canada signed the CUSMA on November 30, 2018, which will replace the North American Free Trade Agreement (NAFTA).
- BC worked very closely with the Government of Canada throughout the negotiations leading to the CUSMA.
- As part of a deal to reach agreement on CUSMA, the Province committed to eliminating the contested measures specific to selling BC only wine on grocery store shelves by November 2019.
- Government is committed to working with industry on precisely how to implement changes so that both domestic and imported wines will be sold in existing licensed grocery stores by November 2019.
- In reaching this agreement, the U.S. has agreed to take no further action at the WTO regarding liquor trade issues.

Expansion of Wine on Grocery Shelves

- The number of grocery stores selling wine on shelves will not be expanded and the current moratorium on licences will continue.

**FINANCES:**

- N/A

**STATISTICS:**

- There are currently 29 licences across BC that can sell 100% BC wine on grocery store shelves:
  - Special Wine Stores (12)
  - BCVQA stores (17)
- In BC, the number of liquor stores selling imported liquor has increased significantly since 1987, from 344 to approximately 1,118 today.
- US wines have the largest share of the imported wine market in BC; sales of US wine have increased by about 8% between 2012-2013 and 2017-18.
- In 2017/18, over 4.8 million litres of Australian wine were sold in BC alone.

**2019/20 ESTIMATES NOTE****Working with Local Government  
Process****KEY MESSAGES:**

- The province recognizes the importance of ensuring carefully regulated access to liquor and non-medical cannabis in all areas of the province, including rural areas. Local governments (LG) are integral to this process.
- The Liquor and Cannabis Regulation Branch (LCRB) engage with LG's through a number of forums, including the Union of BC Municipalities (UBCM) working groups on provincial cannabis and liquor policy.
- The Local Government Act gives LG's the authority to make land-use decisions in their communities. Through local zoning and land use bylaws, local governments can control and limit the number of establishments, their square footage, and their location within that municipality.
- Whenever possible the LCRB works directly with LG's on licensing issues to ensure citizens benefit from the coordination and efficiencies that can be sought through a collaborative approach.

Cannabis specific

- LG's have been continually involved in policy discussions and operational considerations through the UBCM Joint Provincial-Local Government Committee on Cannabis Regulation (JCCR).
- LG's have the ability to determine if they wish to have a non-medical cannabis retail store (CRS) within their jurisdiction.
- Generally, LG's that have chosen a concurrent framework have seen licences approved more timely than those that choose to wait for the Province to determine the applicant 'fit and proper'.

**FINANCES:**

- N/A

**2019/20 ESTIMATES NOTE****BC Cannabis Stores****KEY MESSAGES:**

- In BC, customers can purchase legal cannabis through private stores licensed by the Liquor and Cannabis Regulation Branch (LCRB), government stores, or the government's online store.
- The LDB has a proven track record of selling regulated products through its experience in the liquor business. BCCS' are designed and operationalized keeping government's key priorities in mind – protecting children and youth, ensuring health and safety standards, and keeping the criminal element out of the legal cannabis sector.
- On legalization date, the Liquor Distribution Branch (LDB) opened its first BC Cannabis Store (BCCS) in Kamloops, BC.
- To date, LDB has received local government approval for 16 BCCS' in the Province. An additional 14 applications are in the local government review process. Approximately 9 government stores (including the Kamloops store) are targeted to be operational by end of summer 2019.
- It is expected that government stores follow the same operational requirements as private stores, as set out by the LCRB through its terms and conditions (i.e. requirements for displaying smell jars). Similarly, LDB is following all local government processes and is only submitting applications where a local government has indicated that it is ready to accept applications.

**If asked about future store openings**

- Government stores are facing some of the same challenges that potential private retailers currently face in municipalities that have not yet provided clarity on their cannabis retail policies, or that have lengthy approval processes.

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s.13; s.17

- It is important to keep in mind that the legalization of non-medical cannabis represents a fundamental shift in policy for governments and the public. BC will experience dynamic and evolving issues surrounding this file with the opening of more non-medical cannabis retail stores in the future.

**FINANCES:**

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s.14; s.17

**2019/20 ESTIMATES NOTE****BC Cannabis Supply****KEY MESSAGES:**

- Non-medical cannabis (cannabis) product shortages have affected all provinces and territories since legalization.
- Provinces are working with Health Canada to identify and resolve challenges facing LPs to improve the volume and variety of products in the market.
- The impact in BC, compared to other jurisdictions, has been somewhat minimized due to the limited number of legal retail stores in operation. To date, there are 15 retail stores (including the single public store) in operation. The number of retail stores is expected to increase over the next several months.
- While the overall supply of cannabis has improved since legalization, certain products (such as CBD oil and lower-priced flower) continue to be in high demand.
- Cannabis supply may be further impacted with the legalization of cannabis edibles, extracts, and topicals as cannabis licensed producers (LPs) may focus their efforts on producing these products.
- The LDB currently has supply agreements with 42 LPs and continues to engage with new and existing LPs to secure products in demand.
- The LDB is committed to promoting fair and equal access to products and supporting a level playing field for all retailers (public and private).

If asked about BC's current allocation process

- The LDB has implemented measures to ensure that appropriate quantities of inventory are available to wholesale customers (brick and mortar stores, including public stores) and retail customers purchasing through the online store.
- At present, all wholesale customers have equal access to available wholesale inventory on a first-come first-served basis and the LDB does not reserve or prioritize inventory for specific wholesale customers.



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**2019/20 ESTIMATES NOTE****Capital and Operating Projects****KEY MESSAGES:**

- It is important that the Liquor Distribution Branch (LDB) invests in capital and operating projects to support the modernization of its business and to support the government's mandate for economic growth and improved services to citizens in B.C.
- Investments in technology benefit not only the LDB, but also manufacturers, wholesale customers and hospitality customers – and therefore, ultimately, the consumer.
- In addition, investing in technology and creating efficiencies may lead to increased LDB net income, which contributes directly towards vital services for the citizens of BC.
- The LDB has recently completed a number of projects related to business process and technology-related improvements, as well as replacement of outdated IT systems.
- The relocation of the LDB's distribution centre to Delta and the legalization of cannabis were major capital projects undertaken last year. This year, the LDB will continue to support the move to the Delta Distribution Centre (DDC) as well as allocate resources to support the establishment of BC Cannabis Stores across the province and prepare for the legalization of other cannabis products.
- One of LDB's current projects is implementing a new Warehouse Management System (WMS) in the Kamloops Distribution Centre, to streamline ordering, picking, and delivery to customers. This aligns with the government's priorities to deliver services that people count on and to build a strong, sustainable economy.
- LDB will make changes to its systems and allocate resources, as required, to support any government initiatives coming out of the Business Technical Advisory Report (e.g. hospitality pricing).

- The LDB remains focused on cost-consciousness and accountability to taxpayers when selecting projects and is committed to ensuring projects are completed successfully, on time, and within budget.

**FINANCES:**

- Costs of completing the distribution move to Delta project and installing the new WMS system in Kamloops is anticipated to be \$7.4 million for fiscal 2019/20. Total cost of the Delta project and technology upgrades for Kamloops is projected to be about \$54.4 million. To date, both projects are on budget.

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**CROSS REFERENCE:**

- **LDB 13** – LDB Head Office Relocation
- **LDB 14** – LDB Warehouse Relocation

**2019/20 ESTIMATES NOTE****Duty Free Stores****KEY MESSAGES:**

- Duty free stores currently pay reduced markup rates on all the products they purchase, and have among the lowest markup rates compared to other jurisdictions in Canada.
- These lower markup rates recognize that products sold at duty free stores are destined for export, and take into account the competitive position of BC's duty free stores relative to their competitors in the United States.
- In addition, unlike other liquor retailers, duty free stores do not pay any duties or excise. This further reduces the price they pay to the LDB, particularly for spirits, which make up approximately 60% of their sales.
- For these reasons, changes to the markup structure are currently not being contemplated. The LDB must, at a minimum, generate enough revenue from markup to cover the cost of sales and related operating expenses.

**FINANCES:**

s.17

**STATISTICS:**

- There are 11 duty free stores in BC, seven of which are located at Canada/United States land border crossings and four of which are located at airports.
- Today, duty free stores in BC pay a reduced markup rate of 20% for wine, spirits, and refreshment beverages, and 12% for beer.
- Markup rates for duty free stores were reduced in 2008 and 2010, in response to requests from the land border duty free store operators.
- In January 2019, <sup>s.21</sup> requested a

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meeting with Minister Eby claiming that his competitiveness is at risk due to LDB's markup and difficulties with LDB distribution.<sup>s.21</sup> has made repeated requests to both the provincial government and the LDB regarding the markup his business pays on purchases of alcohol from the LDB. He also routinely requests that the LDB allow him to purchase liquor directly from manufacturers.

○ <sup>s.21</sup>

○

- <sup>s.21</sup> main request is that the markup for beer and wine be changed to a flat 5% markup, while the rate for spirits be changed to 5% for spirits that cost over \$25, and 20% (current markup) on spirits that cost less than \$25.
- The LDB has stated that changes to the markup structure are not being contemplated as duty free stores enjoy the lowest overall markup in the country and the LDB must, at a minimum, generate enough revenue from markup to cover cost of sales and related operating expenses.
- In August 2017, the LDB received a request from the<sup>s.21</sup>  
<sup>s.21</sup> to write a letter to the federal government indicating the LDB's support for<sup>s.21</sup> However, a decision to permit<sup>s.21</sup> ultimately belongs to the federal government, so the request to send a letter of support was forwarded to the provincial Ministry of Finance, for them to determine if they would like to send a letter to the federal Department of Finance.

**2019/20 ESTIMATES NOTE****BC Cannabis Industry Requests****KEY MESSAGES:**

- BC cannabis industry groups are requesting that the Province adopt measures similar to those used to support BC liquor manufacturers – such as private distribution and reduced markup.
- Cannabis industry groups represent the interests of cannabis producers (licensed and unlicensed) and licensed private retailers in BC.
- We remain open to working with the industry and looking at ways to support the success of the legal market.

- s.13

- New federal regulations with respect to the introduction of edibles, extracts, and topicals are expected to be finalized later this year and it is unknown what impact these regulations will have on the industry.

s.14



**2019/20 ESTIMATES NOTE****Beer Industry Requests****KEY MESSAGES:**

- We have heard the various concerns that stakeholders in the beer industry have recently expressed, particularly on contract brewing.
- In early March, it was announced that the LDB is making changes to the annual production reporting process for breweries.
  - These changes follow an industry consultation that the LDB conducted in late 2018 in response to stakeholder concerns about the increasing use of contract brewing and the need to ensure transparency of this practice in a brewery's reporting volumes.
- The changes will apply to the reporting of 2019 beer production volumes to the LDB in early 2020.
- The changes also align with the 2017 changes to the *Liquor Control and Licensing Act*, which introduced and permitted contract brewing.

**STATISTICS:**

- For the 2019 calendar year, each brewery must track the following volumes, to be reported to the LDB in early 2020:
  - The total volume of beer manufactured within the reporting brewery's own production facilities for itself (same as current);
  - The total volume of beer the reporting brewery contract manufactures for other breweries and/or unlicensed third parties (new);
  - The total volume of beer any other breweries contract manufacture for the reporting brewery (new);
  - The annual worldwide production of any affiliated breweries (defined as 10% or more common ownership, same as current); and



- The annual worldwide production of any breweries that the reporting brewery has a branding agreement with (new).

**2019/20 ESTIMATES NOTE****Cider and Sake Requests****KEY MESSAGES:**

- Cider and sake producers have requested changes to the land-based winery program.
- Our government is always open to hearing from industry and gaining their perspectives on whether any changes need to be made.
- In 2018, Mark Hicken was appointed as a liquor policy advisor. Mr. Hicken led a Business Technical Advisory Panel (the “Panel”), which recommended changes to liquor policy and legislation. The final report from the Panel did not include recommendations directly associated with cider or sake producers.
- BC cider and sake producers (as well as mead producers) are currently licensed by the Liquor and Cannabis Regulation Branch (LCRB) as “wineries” and operate under the Liquor Distribution Branch (LDB) winery sales agreements. The LDB categorizes cider as a “refreshment” beverage for the purposes of mark-up.
- The current land-based winery criteria – which apply to cider, mead, and sake, are intended to support a made-in-BC industry that promotes traditionally manufactured products and agricultural and tourism opportunities.

If asked about requests from BC sake producer

- A BC sake producer <sup>s.21</sup> has requested that it no longer be required to remit mark-up on its direct sales to consumers and licensees, as it is using 100% BC agricultural product to produce its sake, similar to land-based wineries and craft distilleries.
- <sup>s.21</sup> continues to be classified as a commercial winery because it does not meet all the land-based winery criteria <sup>s.21</sup>.

<sup>s.21</sup>

- s.21 could be designated a land-based winery if it moved its sake production and manufacturer on-site store to the s.21  
s.21

If asked about requests from commercial BC craft cideries

- BC Commercial Craft Cider Industry is a group of 3 small commercial cideries that has requested the following:
  - Create a separate category for BC cider - define BC cider as an alcoholic cider fermented with 100% BC apples or pears, no concentrates or artificial additives, minimum 80% juice content (i.e. no more than 20% water or other fruit juice additions).
  - Create a new mark-up rate for commercial craft cider similar to the craft beer mark-up structure (with adjusted volumes for craft cider).
  - Expand the BC Liquor Store Program for offering unlisted beer products to include craft cider.
- BC cider industry requests pose a number of challenges including:
  - Providing benefits, such as a lower mark-up rate, specific to BC craft cider producers could further irritate international and inter-provincial trade complaints and discussions.
  - Lowering the mark-up rate for BC cider would result in revenue loss to government, which would be significant if this benefit was extended to both BC and import manufacturers (in order to comply with trade agreements).
  - Other stakeholder groups, such as smaller BC commercial distilleries, that have requested similar benefits be extended to them, would expect the same changes (e.g. lower mark-up rates) for their industry.
- Should government consider extending benefits to the BC craft cider industry, further analysis, broad stakeholder consultation (industry, government ministries, and municipalities) and Treasury Board approval would be required.

**STATISTICS:**

- BC cider sales (wholesale) have increased by 132% since fiscal 2013/14 (from 5,604,153 litres sold in 2013/14 to 13,021,622 litres sold in 2017/2018), which appears to indicate a healthy industry growth.
- BC sake sales (wholesale) have increased by 10% since fiscal 2015/16 (from 10,100 litres sold in 2015/16 to 11,100 for fiscal 2018/2019 year to date).

**2019/20 ESTIMATES NOTE****Commercial Distillers' Requests****KEY MESSAGES:**

- B.C. Independent Distillers Association (BCIDA), which represents small BC commercial distilleries, recently requested changes to how mark-up is applied to small BC distilleries that do not meet BC's craft distillery policy.
- These changes may have significant trade implications. If enacted, these changes would favour British Columbia distilleries to the extent that we could be subject to a formal complaint and arbitration process.
- If the Liquor Distribution Branch (LDB) applied these changes to all commercial distillers, regardless of location, it could result in significant revenue loss.<sup>s.17</sup>
- We remain open to working with the industry and looking at new ways to continue to support its success, which is evident from their recent growth – between 2010 and February 2019 there was an increase of 17 distilleries in BC (from 10 to 27).
- The Business Technical Advisory Panel (BTAP) did not include a representative from the BC Independent Distillers Association. The final report did not include recommendations directly related to commercial distilleries.
- Government is currently in the process of reviewing the BTAP recommendations - analyzing and considering the potential health, public safety, social, financial and labour impacts of implementation. We are also considering any proposed reforms to liquor policy in light of trade considerations.

**FINANCES:**

s.17

**STATISTICS:**

- The BCIDA (formerly BC Craft Distilling Association) has a membership of seven commercial distilleries. These distilleries are not designated “craft” by the LDB since they do not comply with the Craft Distillery Policy but are considered to be small commercial distillers (compared to multinational distilleries).
- BCIDA requires that its members: produce a maximum of 100,000 litres of alcohol by volume per year (craft distilleries are limited to 100,000 litres overall per year), use a still pot for production, and if they are using Neutral Grain Spirits (NGS) produced offsite, “substantially alter the character of the spirit” through onsite flavouring and distillation.
- BC commercial distilleries are treated similar to multinational distilleries. As such, they cannot sell direct to the private sector (including private liquor stores, restaurants, pubs, bars) and they must remit full mark-up (124% on spirits) on products sold through their manufacturer on-site store or their tasting rooms (for which they receive a 7% commission).
- The Minister met with the BCIDA in March, where they proposed that BC adopt volumetric markup for spirits (i.e. \$ per litre), similar to beer, rather than the current ad valorem markup, which is linked to product price (% of cost). The new spirits markup would be graduated based on a distillery’s annual production volumes, to encourage the growth of small distilleries.
- In 2015 and 2016, the BCIDA were requesting exemption from mark-up on sales in their tasting rooms, and that BC adopt a mark-up structure on spirits similar to the structure in Nova Scotia, where all small distillers are granted mark-up concessions, and those that use Nova Scotia-grown inputs are provided an additional concession. Government reviewed these requests in the fall of 2017 and decided not to make changes at this time.
- Any changes to address the Association’s requests would have had implications for other distillers and liquor manufacturers. In addition, there would likely have been trade implications, given that these changes would primarily benefit

BC distilleries.

- The BC Craft Distillers' Guild (which represents those distilleries designated as "craft") is opposed to these changes, as it agrees with the current Policy's original intent of supporting BC's agricultural industry by using 100% BC products.

**CROSS REFERENCE:**

- **LDB 9** – Craft Distillers' Requests
- **LCLB 1** – Business Technical Advisory Panel

**2019/20 ESTIMATES NOTE****Craft Distillers' Requests****KEY MESSAGES:**

- The craft distilling sector in BC continues to grow and produce world-class spirits. The number of craft distilleries has nearly doubled from 2015/16 to today (from 31 to 61 as of February 2019). We will be looking at ways that we can continue to support their success.
- Currently, craft distilleries receive a number of benefits that are intended to help the sector grow. For example, they are allowed to sell their products directly to wholesale and retail customers and do not have to remit the markup they collect on these sales.
- The Business Technical Advisory Panel (BTAP) included representatives from the BC Craft Distillers Guild, which represents craft distilleries in BC. The final report included two recommendations directly related to craft distilleries:
  - Recommendation 19: Eliminate restrictions preventing common ownership of a commercial distillery/winery or a craft distillery/land-based winery.
  - Recommendation 20: Eliminate the restrictions preventing craft distilleries from producing refreshment beverages and selling to duty-free stores.
- Government is currently in the process of reviewing these and the other BTAP recommendations - analyzing and considering the potential health, public safety, social, financial, and labour impacts of implementation. We are also considering any proposed reforms to liquor policy in light of trade considerations.

**FINANCES:**

s.17



**STATISTICS:**

- BC craft distilleries must meet strict criteria, including that all products produced by the distillery are fermented and distilled at the licensed distillery site using 100% BC agricultural inputs.
- Similar to beer, BC craft distilleries are assessed a markup based on total annual production, whereby their entire product is assessed at the marginal rate for their total production level.
- Those which produce less than 50,000 litres annually remit zero markup on their direct sales to consumers or to the private sector (i.e. private liquor stores, restaurants, pubs, bars).
- Those with a total annual production of between 50,001 litres and 100,000 litres are subject to a graduated markup schedule, where all products are marked up at the marginal rate for that tier, not merely the production volume difference between that tier and the one below. None of the craft distilleries have yet to produce over 50,000 litres.
- In 2015 and 2016 the Craft Distillers Guild of British Columbia requested that the threshold for not remitting markup be raised from 50,000 litres to 500,000 litres of annual production with markup graduated between 500,001 litres and 1,000,000 litres, and that craft distilleries be given the same 50% rebate that is provided to wineries that sell their BC VQA wine through LDB distribution channels.
- These requests could have significant impacts on potential future government revenue.
  - The VQA program is administered by the BC Wine Authority under the Ministry of Agriculture and there is no equivalent program for spirits. Today, the LDB applies a 50% rebate when BC VQA products are sold through LDB distribution channels to any customer, including BC Liquor Stores and private stores. The original intent of the VQA rebate was to improve supply of VQA wine in BCLS.

- The Craft Distillers Guild is requesting a similar rebate for craft distillery products sold through the LDB distribution channel. Full markup is currently applied to these sales.
- The LDB has reviewed the request and further analysis would be required to determine the potential financial impact and implications.

**CROSS REFERENCE:**

- **LDB 8** – Commercial Distillers' Requests
- **LCLB 1** – Business Technical Advisory Panel

**2019/20 ESTIMATES NOTE****Hospitality Pricing****KEY MESSAGES:**

- I appreciate that the economic impact of the hospitality industry is significant.
- I fully understand the longstanding desire of hospitality licensees for a discount on liquor purchases. Currently, hospitality licensees (including bars, pubs, restaurants, and hotels serving liquor) must purchase most liquor at retail prices set by the Liquor Distribution Branch (LDB). This has always been the case in BC.
  - Hospitality licensees are able to purchase draft or kegged beer at the wholesale price, without any retail markup, and land based wineries can set their own prices on their direct sales to hospitality.
- I also understand that both hospitality licensees and manufacturers are seeking hospitality pricing certainty – in particular, those manufacturers who direct deliver a significant amount of product to hospitality customers.
- The Business Technical Advisory Panel (BTAP) final report recommended that government adopt a “proper wholesale price” for hospitality licensees.
- Government is currently in the process of analyzing this recommendation by considering fiscal, health, public safety, labour, and trade impacts.
- Across Canada, true wholesale pricing for hospitality is uncommon, with Alberta being the only province to charge true wholesale price. There are six jurisdictions that provide some discounts or exceptions to retail pricing for hospitality. Three jurisdictions provide no discount off of retail price at all, and two actually charge hospitality licensees more than retail price on some or all of their liquor purchases.

**STATISTICS:**

- There are approximately 8,300 hospitality licensees in BC. In 2017/18, sales to hospitality licensees grossed approximately \$600 M, or 16% of total LDB sales.

- s.17

- The BTAP report suggested that to reduce revenue loss, LDB could charge 5% on top of the wholesale price. s.17

- s.17

- s.17

LDB Wholesale Price and Established Retail Price

- **LDB wholesale price** is supplier price, also known as duty paid cost (supplier costs plus federal excise tax), plus LDB's wholesale markup<sup>1</sup>. The container recycling fee and GST is added to wholesale price.
- **LDB's Established Retail Price** is the wholesale price, including container recycling fee, plus a retail margin (set by LDB's Retail Division) that is determined on a per product basis (based on marketing considerations). GST is added to Established Retail Price. Hospitality licensees are not charged PST.
- Suppliers and hospitality licensees complain that because LDB's Retail Division sets the Established Retail Price based on their internal assessments, and this price can be changed monthly, they lack price certainty.

<sup>1</sup> Markup is calculated based on supplier price for wine, spirits and refreshment beverages, or by litre sold for beer. Some customers have specific markup structures, e.g. duty free stores have much lower markup for all categories.

- Suppliers would like to be able to set their supplier price at a particular rate to attract specific hospitality customers. BC manufacturers that are able to sell directly to hospitality would like to be able to set a price in their direct sales agreements.
- If LDB adopted a new discounted price for hospitality, it would be determined by a formula, which would allow suppliers to predict the final price.

**CROSS REFERENCE:**

- **LCRB 1** – Business Technical Advisory Panel Action Plan

**2019/20 ESTIMATES NOTE****Independent Review of LDB  
Distribution Centre****KEY MESSAGES:**

- In December 2018, government announced an independent review of wholesale liquor distribution in the province. The review is to address industry concerns and to ensure the new warehouse in Delta, and recent system and process changes, are meeting the needs of wholesale customers.
- The review will be conducted in two parts, one focused on the Liquor Distribution Branch distribution centre and the other focused on non-stocked products, which are stored at third-party warehouses.
- I expect the independent review will:
  - Address operational concerns and suggest improvements; and
  - Address delays in distribution of non-stocked product.
- Common concerns from industry includes, issues with stock-outs and incomplete orders; deliveries that are either missed or delayed; routing of products through LDB distribution centre when they could be delivered directly to customers; and whether priority is given to public stores over private stores for distribution of limited products.
- The review is in response to the Business Technical Advisory Panel's (BTAP) final report to government, which includes a number of recommendations to improve business interactions between the Province and BC's liquor industry.
- Recommendations from the review will need to balance public safety and public interest concerns with government's economic interests and those of the liquor industry.
- The review will begin late April and be complete before the end of fall 2019.

**FINANCES:**

- s.17

**STATISTICS:**

- LDB Wholesale contributes over \$1 B dollars in net revenue to the Province each year. LDB Wholesale provides this revenue by managing the importation, purchasing, pricing, and distribution of more than 335,000 wholesale orders from nearly 10,000 customers throughout the Province.
- LDB Wholesale ships over 18 million cases per year, and 2.5 million individual bottles. This translates to approximately 65,000 cases and 10,000 bottles picked and shipped everyday.
- The review is intended to help government respond to two of the recommendations in the BTAP final report:
  - Recommendation #1 – An alternative distribution system should be established to specifically address the delays in distributing non-stocked products.
  - Recommendation #3 – Following the completion of the move to the new warehouse, the operations of the LDB's current distribution centres should be made the subject of an external third-party review in order to identify operational issues and to suggest improvements.
- The Ministry of Attorney General is providing oversight for the review, including leading the procurement process. Due to the sensitivity of the review, timing, and expertise required, the Ministry is working with a group of pre-qualified vendors.

**2019/20 ESTIMATES NOTE****LDB Cannabis Operations****KEY MESSAGES:**

- Under the *Cannabis Distribution Act*, the Liquor Distribution Branch (LDB) is the sole supplier of non-medical cannabis (cannabis), operating out of the Richmond Distribution Centre (RDC).
- It also operates one brick-and-mortar BC Cannabis Store (BCCS) in Kamloops and the only legal online cannabis sales portal in the Province.
- The LDB's proven track record in managing a safe, regulated supply chain for liquor speaks to its ability to uphold government's key priorities of protecting children and youth, ensuring health and safety standards, and keeping the criminal element out of cannabis.

**If asked about BC's supply of cannabis:**

- From a cannabis inventory perspective, to date, LDB has signed sales agreements with 42 LPs and is currently negotiating agreements with an additional 8 producers. To date, we have purchased cannabis product from 34 LPs and accessories from ten accessory vendors.
- LDB currently sells wholesale cannabis product to 16 retailers (14 licensed private cannabis stores, 1 BC Cannabis Store and the online store).
- Our distribution centre currently holds sufficient inventory to meet anticipated retail demand in the foreseeable future.

**FINANCES:**

s.17



s.17

s.14; s.17

**2019/20 ESTIMATES NOTE****Head Office Relocation****KEY MESSAGES:**

- The Liquor Distribution Branch (LDB) was facing critical space constraints at its Rupert Street Head Office location.
- As of April 1, 2019, the LDB completed its head office relocation to 3383 Gilmore Way in Burnaby, allowing for the centralization of employees that had been working out of three separate locations (East Broadway, Rupert and Boundary).

If asked about the existing lease for Rupert Street and East Broadway locations

- The lease for the 2625 Rupert Street location expired on July 31, 2018 - however, LDB exercised a 5 year extension in order to extend its stay at that location while transitioning to the new centralized head office, making the new expiry date of July 2023.
- LDB is in active discussions with the landlord for the 2625 Rupert Street location to determine whether a satisfactory agreement can be negotiated to terminate the lease.
- The lease for the 3200 East Broadway location expires in August 2019. All head office employees located there, as well as the Distribution Centre, will have moved to their new locations by that time.

If asked about the daycare located at the 3200 East Broadway location

- Safety, building security, and usable space were key considerations in analyzing the feasibility of including an on-site daycare at the new Gilmore Head Office location. Unfortunately, LDB was unable to accommodate a daycare within the new building that would adequately address these considerations.
- The daycare has signed a new lease with a new landlord which will take effect July 1, 2019.

**FINANCES:**

- Under agreement with the landlord, the annual lease costs are not to be publicly disclosed at this time as this information has been deemed financially harmful to the landlord and the LDB if released.
- The total annual payments to the landlord will be released as part of the LDB's annual Statements of Financial Information, which are published online. However, this will include not only lease payments, but any other payments the LDB made to them (i.e. property tax, tenant payments, etc.).
- The cost of the relocation and future operating costs have been accounted for in LDB's financial plan.

**STATISTICS:**

- A number of considerations were taken into account in selecting a new head office location, including:
  - the need to accommodate the number of FTEs needed to support the LDB's added responsibility of cannabis distribution and retail operations;
  - industry best practices around usable square footage per employee;
  - efficiency and productivity;
  - environmental impacts;
  - employee and union concerns - such as keeping the head office location close to its current location in the Lower Mainland, and ensuring close proximity to transit access and main commuting corridors; and
  - time and cost constraints.
- The analysis concluded that a single head office space was the most viable approach (rather than setting up satellite locations or building a new facility).
- The 147,000 square foot, five-story, Gilmore Way building was constructed in 2009.

- By comparison, the Rupert Street location and 3200 East Broadway location (the two main head office buildings) were constructed in 1993 and 1960 respectfully, and provided approximately 102,000 square-feet of office space.
- The Gilmore building has achieved LEED® Platinum Core & Shell, and the operating costs per square foot will be reduced as the building is much more energy efficient.

**2019/20 ESTIMATES NOTE****LDB Warehouse Relocation****KEY MESSAGES:**

- The Liquor Distribution Branch (LDB) is currently transitioning its Vancouver distribution centre to the new site in Delta. The project is on budget.
- The decision to relocate the Vancouver Distribution Centre to Delta was based on the fact that the LDB had outgrown the Vancouver distribution centre. The Delta distribution centre is more than double the size, and has improved racking and bottle pick areas, as well as a greater number of receiving and shipping bays.
- The new facility has been retrofitted to meet the LDB's business needs and includes a new Warehouse Management System (WMS) that will improve wholesale customers' experience.

**If asked about delays in transition**

- The LDB has experienced some challenges with the transition – primarily due to delays in construction and permitting applications, resource constraints and process changes related to the new WMS and new material handling equipment.
- As a result, the transitioning of customers to the new facility was paused over the holiday season to minimize any disruption during this critical sales period.
- The LDB resumed transitioning customers in February and will continue to run two Lower Mainland distribution centres into spring.
- The LDB anticipates that the transition of all wholesale customers will be completed by mid-May.
- The LDB has been transparent throughout the transition, communicating any updates and changes to timelines to suppliers and customers.

- As of April 29, 2019, approximately 70% of wholesale customers, representing over 80% of the business, have been transitioned to the new distribution centre in Delta.

**FINANCES:**

- The capital budget for the warehouse relocation and WMS system is \$57 M. This excludes annual lease costs. The project is on budget.
- Under agreement with the new landlord (Great West Life Assurance Co.), the annual lease costs for the new Delta facility are not to be publicly disclosed, as this information has been deemed financially harmful to the landlord as well as the LDB if released.
- The total annual payments made to the Great West Life Assurance Co. will be released in LDB's Statements of Financial Information, which are published online. However, this will include not only lease payments, but any other payments the LDB made to them (i.e., property tax, tenant payments, etc.) so the portion attributed specifically to lease payments will still not be disclosed.

**STATISTICS:**

- The government announced the sale of the Vancouver Distribution Centre site in 2014.
- The LDB moved into the Vancouver Distribution Centre in the 1960s. The 220,000 square foot building was constructed to the standards of the time; it has 24' clear warehouse space, and less-than-ideal column spacing, resulting in inefficient storage and congestion.
- The new warehouse in Delta (located at 7003-72nd Street) is 412,000 square feet in size with 30' ceilings, allowing for five levels of racking and accommodating 7,000 SKUs.
- The LDB directly serves almost 10,000 wholesale customers, the vast majority of which are private sector businesses, and fills more than 335,000 wholesale orders per year.