

Environment and Climate Change Strategy

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Carbon Pricing

Highlights:

- In October 2018, the Federal Government announced that it will impose a federal carbon tax in four provinces that have not introduced their own carbon pricing.
- Saskatchewan, Ontario and New Brunswick have initiated reference cases to challenge the federal government's authority to pass its Greenhouse Gas Pollution Act, which establishes a minimum national pollution pricing system.
- BC is participating as an intervenor in these court cases to support the federal Greenhouse Gas Pollution Price Act.

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Solution:

- Putting a price on pollution is the best way to fight climate change.
- We are providing predictability to BC businesses and helping companies compete while moving to the cleanest operations in the world.
- We are increasing climate action credits for families, to ensure a majority of British Columbians are better off financially than under the other side's plan.
- Under the old government's plan, the carbon tax would increase with the federal mandate but they had no plan to increase rebates for people.
- Under our plan we are putting people first.
- We are investing billions in climate change solutions like transit that create jobs and make life better for people living in our province.
- CleanBC will meet our targets while helping people cut their emissions and their bills.

On court cases:

- Our government is committed to addressing climate change in a way that helps BC prosper economically, while making life better for people.
- We strongly believe that the only way to truly fight climate change is to fight together.
- It is the responsibility of each province to take the climate crisis seriously and to put forward a plan to adequately price carbon.
- We know greenhouse gases do not respect provincial boundaries, and that's why both the federal and provincial governments have a role in tackling climate change.
- We will stand up for our environment and our competitiveness when it comes to greenhouse gas pricing.
- Our government is proud to be a leader in fighting climate change and we will do our part to ensure that Canada becomes a leader as well.

Background:

- The Federal carbon price mandate begins at \$10/tonne in 2018 and rises by \$10/year to \$50/tonne in 2022. The federal approach will be reviewed by early 2022 to ensure it is effective and confirm future price increases.
- BC's Carbon Tax was implemented on July 1, 2008 at \$10/tonne and was increased \$5 each year until it reached \$30/tonne in 2012.
- Budget 2018 confirmed BC's Carbon Tax will increase by \$5 per tonne each year starting April 1, 2018 in order to meet the federally mandated carbon price.
- It also confirmed an additional \$40 million per year will be provided to low and moderate income British Columbians through enhancements to the climate action tax credit.
- The enhancement raises the benefit for a family of four by \$50, which is equal to the additional cost they would incur from the \$5 increase to the Carbon Tax.
- BC's climate action tax credit now provides up to \$135 per adult and \$40 per child. A family of four receives up to \$350 annually. The maximum benefit goes to families with income up to \$39,658 and is phased out at higher incomes.
- The Federal Government's carbon tax rebate will provide a family of four in Ontario with \$307 next year, rising each year to \$718 by 2022.
- The Saskatchewan, Ontario and New Brunswick governments have challenged the federal government's authority to pass its *Greenhouse Gas Pollution Pricing Act*, which establishes a minimum national pollution pricing system.
- These three provinces have referred the constitutionality of the federal legislation to their respective appeal courts.
- As an intervenor, BC will argue the federal government has the right and responsibility to put a price on carbon pollution while providing flexibility for the provinces to design pricing plans that are equivalent to their requirement.
- BC will also argue that there will be harm to its environment and competitiveness if it continues to act on greenhouse gas pricing and other provinces do not and that there will be harm to Canada's ability to meet its globally important international climate change commitments.
- The Saskatchewan case is expected to be heard in February 2019 and the Ontario case will be heard in April 2019. The New Brunswick case has not yet been scheduled.

TMX – Equivalency Agreement

Highlights:

- Green Caucus will ask the Environment Minister about the Trans Mountain project and the Equivalency Agreement.
- MLA Weaver has previously called on the province to cancel the equivalency agreement with the Federal Government and conduct a separate BC environmental review.

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Solution:

- Like the members of the third party, we are very concerned by the risk that an oil spill poses to our environment and our coast.
- With respect to the equivalency agreement, the provincial environmental assessment certificate wasn't affected by the federal court ruling and it remains valid.
- As a result, repealing the equivalency agreement would have no effect.
- We have a responsibility to defend the interests of British Columbians and that is exactly what we have been consistent in doing.
- We intervened in the NEB hearings to argue this project is too risky and not in the interest of BC.
- Our government launched a reference case to confirm BC's jurisdiction to address the serious risks of diluted bitumen.
- We have already introduced new regulations to increase spill preparedness and response with further regulations coming.
- We want to ensure we fill the gaps in the science around effects of a diluted bitumen spill, and that we can be sure it can be cleaned up.
- We will continue to defend our jobs and our coast.

On EA Revitalization...

- The members of the third party will remember we introduced legislative changes to the environmental assessment process last fall.
- I was glad they voted with us in support of the bill.
- Our new approach is about making sure good projects that respect B.C.'s environment, Indigenous peoples and the public are approved more quickly.
- It also will ensure we build a strong economy and protect the environment.
- We consulted Indigenous peoples, industry, communities, environmental organizations, and the public to make sure the new EA process strikes the right balance for our province.
- We revitalized the EA process to make sure a strong, transparent process is in place, one that advances reconciliation and creates certainty for industry.
- Our new approach has received strong support from industry, Indigenous Nations, and the environmental community.

Background:

- The Federal Finance Minister announced on May 29 that they reached an agreement to buy the existing Trans Mountain pipeline and assets related to the Trans Mountain Expansion for \$4.5 billion.
- On Aug 30, the Federal Court of Appeal quashed the federal approval of the TMX expansion project. The court ruled that the federal government had not adequately consulted with First nations and that the NEB's review "unjustifiably" didn't include tanker traffic and impacts on Southern Resident Killer Whales.
- On Sept 21, the federal government announced they would send the TMX pipeline for an additional 22-week review by the NEB on marine traffic impacts.
- BC registered as an intervenor in the additional NEB review process.
- On October 3rd the federal government appointed former Supreme Court Justice Iacobucci to lead further First Nations consultation on the project. The federal government says they expect this process will take several months.
- On Jan 22, 2019, BC submitted its final argument to the NEB.
- BC's final argument covered a range of topics related to marine spills including the gaps in the federal Oceans Protection Plan, the fate and behaviour of diluted bitumen in marine environments and the ability to respond to a marine spill in adverse weather conditions.
- On February 22nd the NEB released its report recommending approval of the project while noting that it would have significant adverse impacts on Southern Resident Killer Whales and on Indigenous cultural use of the whales. They also found the environmental impacts of a serious spill would be severe.
- BC sent a reference to the BC Court of Appeal which consists of a proposed amendment to the Environmental Management Act and three questions to confirm the province's authority to make such a law.
- In December 2018, BC and the federal government submitted written arguments for the reference case. The deadline for each jurisdiction to respond to each other's written arguments is February 28, 2019.
- Hearing dates for the reference case are expected to begin in March 2019.

Gas Prices

Highlights:

- As of May 27, the average price of gas in Metro Vancouver was 167.0 cents/L.
- On May 20, the Province released the Terms of Reference for BCUC's investigation into the recent rise in gas prices.
- The Opposition has criticized the Terms for excluding reference to gas taxes
- On May 6, the Premier spoke with Prime Minister Trudeau about increasing the flow of gasoline to BC through the existing pipeline.
- The Leader of the Opposition has called on government to set a cap motor fuel taxes and not pursue a challenge to Alberta's Bill 12.

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Background:

- Gasoline taxes include a federal excise tax of 10 c/L, a Dedicated Motor Fuel Tax for BC Transportation Authority of 6.75 c/L, a Provincial Motor Fuel Tax of 7.75c/L. The Carbon Tax is 8.89 c/L.
- In the Capital Regional District, there is an additional dedicated motor fuel tax for transit of 5.5c/L. In Greater Vancouver, there is a dedicated motor fuel tax of 17 c/L for Translink but the Provincial Motor Fuel Tax is reduced to 1.75c/L.
- Under the old government, carbon tax on gasoline increased from 0 to 6.67 cents/Litre and the dedicated motor fuel tax that supports TransLink increased from 9 cents/litre to 17 cents/litre.
- BC has two refineries (in Burnaby and Prince George) which have a capacity of about 67,000 barrels per day, or 25% of the province's gasoline consumption. The rest is imported from nearby jurisdictions (Alberta and Washington State).
- A low Canadian dollar compared to the US increases the cost of gasoline.
- Refining margins in BC are significantly higher than in other parts of the country. For March 2019, refining margins for Vancouver were more than double the Canadian average and marketing margins were higher than any other major city.
- Refining margin is the difference in the price of crude and the price of refined gasoline. Marketing margin is the difference in the price of refined gasoline and the price paid at the pump.
- Since January 2019, the average price of gasoline in the USA has risen from 58.0 cents to about 70.0 centre per litre. In Edmonton over that same time, the price has risen from 88.7 cents to about 111.0 cents per litre.
- The carbon tax was introduced at \$10 per tonne in 2008. It increased by \$5 each year until it reached \$30 per tonne in 2012. It was frozen in 2013 for 5 years at a price of \$30 per tonne.
- Starting April 2018, the carbon tax was priced at \$35 per tonne. It will increase by \$5 per tonne until it reaches \$50 per tonne in 2021.

Shipping Oil by Rail

Highlights:

- The Opposition has claimed delays to the construction of the TMX pipeline will increase oil by rail shipments through BC and increase risks to communities.
- While there have been increases in oil by rail volumes in Canada, the vast majority of shipments do not transit through BC and instead enter the US via Montana or North Dakota.
- The latest data from the Washington State Department of Ecology show shipments received via BC's lower mainland have declined dramatically compared to 2017.

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Solution:

- Our government is committed to protecting our lands and waters from the risk of diluted bitumen regardless of how it is shipped.
- We have already introduced new regulations governing oil by rail to increase spill preparedness and response.
- These include requirements for contingency plans, drills and exercises, and plans for recovery.
- And for the first time, requiring reporting of transportation of hazardous substances through BC. Something the previous government ignored.
- We have issued an order to rail companies under new regulations requiring them to report volumes.
- The spill regulations we are proposing in our reference case would also apply to shipments of diluted bitumen by rail.
- We want to ensure we fill the gaps in the science around effects of a diluted bitumen spill, and that we can be sure it can be cleaned up.
- We are taking action to make British Columbians safer in the face of risks of bitumen transport be it by rail or by pipeline.

Background:

- Crude oil exports by rail from Canada have increased significantly in 2018 to 6.4 million barrels in July according to the NEB.
- While it is difficult to obtain reliable statistics as companies do not publicly report figures, most Canadian oil by rail shipments do not involve BC.
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- Data from the Washington State Department of Ecology show that while there was an increase in oil by rail shipments through BC from late 2016 to mid-2017, these shipments have declined since October 2017.
- In 2017 there were 3.17 million barrels shipped through BC to WA. In 2018 there were just 1.2 million.
- In the first half of 2017, under the old government, there were 1.64 million barrels shipped through BC to WA. In the first half of 2018 there were just 385 thousand.
- The reports show a major shift in routing of Canadian oil by rail shipments to Washington away from passing through BC and instead entering the state from the eastern border with Idaho.
- For the first three quarters of 2018, there were no shipments of oil by rail entering WA state via BC in 31 out of 40 weeks.
- Inter-provincial rail transportation regulation is the jurisdiction of the federal government and the transport of oil by rail is regulated by federal government under the Railway Safety Act and the Transportation of Dangerous Goods Act .
- The federal government has initiated a review of the Railway Safety Act and the BC government is fully participating in the review, including bringing forward concerns heard from municipalities on dangerous goods traveling through their communities.
- While the Province does not have jurisdiction over rail transport, it does have ability to regulate environmental impacts that could be caused by spills.

- The Environment Minister implemented a first phase of new spill regulations on October 13, 2017. The regulations apply to transport of liquid petroleum products by pipeline, rail and trucking.
- This first set of new regulations passed by the current government activates legislation passed in 2016, and contains provisions that:
 - define “regulated persons” as pipeline, rail and trucking transporters of liquid petroleum products over 10,000 litres;
 - require the development and implementation of spill contingency plans;
 - define requirements for drills and exercises;
 - mandate record-keeping for spill preparedness and response;
 - require enhanced reporting and set additional cost recovery mechanisms;
 - enable government to require plans for recovery.
- The Ministry of the Environment has conducted public consultations on proposals for a second phase of spill regulations, including:
 - Response times, to ensure timely responses following a spill;
 - Geographic response plans, to ensure resources are available to support an immediate response, that take into account unique characteristics of a given sensitive area;
 - Compensation for loss of public and cultural use of land, resources or public amenities in the case of spills; and
 - Maximizing application of regulations to marine spills.
- BC sent a reference to the BC Court of Appeal which consists of a proposed amendment to the Environmental Management Act and three questions to confirm the province’s authority to make such a law.
- On May 24, the BC Court of Appeal ruled unanimously against BC in the reference case. The Attorney General responded by saying BC will now take the case to the Supreme Court of Canada.
- Section 36 of the Supreme Court of Canada Act gives the province the right of appeal on a reference case.

Tankers and Oil by Rail

Highlights:

- The Opposition has claimed there are 500 American crude oil tankers that travel through the Juan de Fuca Strait and thousands of railcars carrying oil through BC every year.

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Caribou Agreements

Highlights:

- BC has signed a draft Conservation Agreement with the federal gov. for the 21 southern mountain caribou herds throughout the province and has also signed a Recovery Partnership Agreement with the federal gov. and West Moberly & Sauteau First Nations for 3 herds in the Peace region.
- On April 15, government announced a month-long extension for the engagement period and also appointed Blair Lekstrom the community liaison for the Peace region on the draft agreement.
- Mr. Lekstrom provided his report to government on May 27 and public engagement on the draft agreements ends May 31.
- The Opposition has been critical of the public engagement, saying local governments have been left out.

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Background:

- B.C. is pursuing a Bilateral Section 11 Conservation Agreement with Environment and Climate Change Canada under the federal Species at Risk Act, and a Partnership Agreement with the federal government and West Moberly & Sauteau First Nations.

Bilateral Section 11 Conservation Agreement

- The draft Section 11 Agreement outlines overarching agreement principles and broad recovery commitments from BC and Canada for all Southern Mountain Caribou in BC (Central, Northern and Southern Groups).
- Given the alternative of an emergency Protection Order under Section 80 of the federal act, B.C. believes a Section 11 Agreement is preferable.

Partnership Agreement

- BC is pursuing a Partnership Agreement in Principle with the federal government and West Moberly & Sauteau First Nations, focused on the recovery of Central Mountain Caribou herds of Southern Mountain Caribou.
- The tri-lateral Partnership Agreement is currently under development with B.C., the federal government, West Moberly First Nations and Sauteau First Nations with the intention of providing incremental habitat protection and a comprehensive planning process with directly affected parties.
- B.C. has also engaged with directly affected Treaty 8 First Nations (Doig River, Halfway River, Horse Lake, McLeod Lake Indian Band) and key industrial sector representatives to understand their perspective.

Public Engagement

- Public engagement on the draft agreements to conserve southern mountain caribou populations has been extended until May 31.
- On April 16, government appointed Blair Lekstrom to consult with community leaders and local stakeholders on the draft agreements, provide input into the economic impact analysis and advise how the Province can meet its obligation to protect southern mountain caribou, while also protecting local jobs and communities.
- The public engagement, as well as online feedback, will be compiled into a “what we heard” report that will be made public.

Professional Reliance

Highlights:

- In the 2018 fall legislative session, government passed the Professional Governance Act, which addresses two recommendations from the province's professional reliance review.
- This new act has been criticized by the Association of B.C. Forest Professionals, who say it doesn't change environment and land use policies.
- The Opposition, industry groups and professional associations have expressed concerns about the professional reliance review, saying if the remaining recommendations are implemented, there will be an increased burden on business.

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Validators:

“The professional reliance model plays a vital role in maintaining the competitiveness of B.C. We support government’s effort to achieve strong and consistent governance across all professional organizations to ensure responsible resource development.” (Brad Herald, vice-president Western Canada operations, Canadian Association of Petroleum Producers, October 22, 2018)

“BCIA welcomes the government granting of practice rights to professional agrologists across the province as that will ensure that all persons working in our field will be subject to the same level of oversight.” (JP Ellson, executive director/registrar, British Columbia Institute of Agrologists, October 22, 2018)

“Tolko is pleased to support the government’s efforts to improve the British Columbia professional reliance model. We have been included in a comprehensive consultation process that has enabled us to contribute to the new approach to professional reliance. **We are hopeful and confident that this new approach will secure the public’s trust that British Columbia’s natural resources are being managed professionally, sustainably and responsibly.**” (Bob Fleet, vice-president environment and forestry, Tolko Industries Ltd., October 22, 2018)

Background:

- On June 28, 2018 the Environment Minister released a report by Mark Haddock on professional reliance which includes recommendations on the governance of professional associations, and on possible improvements to 28 regulatory regimes.
- The report contains a total of 121 recommendations that fall within the responsibilities of multiple different ministries.
- Government has been engaging with professional associations, with industry and other stakeholders on early improvements while each ministry considers the full list of recommendations.
- On October 3, 2017, a review of B.C.'s professional reliance model was announced – the review was part of Minister Heyman's mandate letter as well as the Confidence and Supply Agreement.
- A public engagement process was held from Dec 1-Jan 19 which asked British Columbians to provide input about the role of qualified professionals in the natural resource sector.
- Feedback was collected from First Nations, the public, stakeholders, those who use QPs in both government and the private sector, professional associations, as well as QPs themselves, as well as a review of current legislation and best practices in other jurisdictions.
- The professions involved in the review include engineers, geoscientists, foresters, biologists, agrologists and applied science technologists.
- On October 22, 2018, the Environment Minister introduced the Professional Governance Act. The legislation addresses two recommendations from the review: 1) Modernize and strengthen roles and expectations of QPs and 2) Establish an office of the superintendent of professional governance.
- The legislation also allows government to establish an office of the superintendent of professional governance to ensure consistency and best practices are applied in the work of qualified professionals moving forward. This work is underway.
- Ministries continue to review the remainder of the report's recommendations in detail and continue consultation with Indigenous peoples, the business community, environmental groups and other public stakeholders.

Environmental Assessment Act

Highlights:

- During the 2018 fall legislative session, government passed the Environmental Assessment Act, which modernizes the environmental assessment (EA) of major resource projects.
- This new act creates a clearly defined process for seeking consensus with participating Indigenous nations, and opportunities for them to provide notification of consent at major decision points.
- It also creates a new early engagement phase to identify areas of concern.
- The new act establishes clear criteria for environmental, economical, social, cultural and health effects, including climate impacts, which now must be addressed in EA decisions.

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Solution:

- We are making sure good projects that respect B.C.'s environment, Indigenous peoples and the public are approved more quickly.
- Our approach will ensure we build a strong economy and protect the environment.
- We consulted Indigenous peoples, industry, communities, environmental organizations, and the public to make sure the new EA process strikes the right balance for our province.
- We revitalized the EA process to make sure a strong, transparent process is in place, one that advances reconciliation and creates certainty for industry.
- Our new approach has received strong support from industry, Indigenous Nations, and the environmental community.

Validators:

"I am relieved that the day has finally come when we are beginning to see the legislative and policy shifts that are necessary and essential to facilitate genuine reconciliation....The Province of British Columbia has committed to fully implement the United Nations Declaration on the Rights of Indigenous Peoples, including free, prior and informed consent, and we are looking forward to seeing this realized on the ground through environmental assessments under the new process. (Grand Chief Stewart Phillip, President of the Union of BC Indian Chiefs, Nov 5, 2018)

"B.C.'s mining industry is committed to ensuring that responsible, community-supporting natural resource projects have a clear, fair and timely path to approval under the modernized Environmental Assessment legislation....Importantly, as a significant private sector employer of Indigenous peoples and a major partner with Indigenous businesses in British Columbia, B.C.'s mining sector is a leader in advancing reconciliation...." (President and CEO, Mining Association of BC, Bryan Cox, Nov 5, 2018)

“...The environmental assessment legislation tabled today recognizes First Nations' inherent jurisdiction and sets out a structured process to ensure compliance with Indigenous engagement standards determined by the Courts and those in the United Nations Declaration on the Rights of Indigenous Peoples....”(Grand Chief Edward John, First Nations Summit Political Executiv, Nov 5, 2018)

“The progress made on the Environmental Assessment legislation is the result of much debate and perseverance between B.C.'s First Nations and the provincial government, and begins to convey the meaning and spirit of the UN declaration.”(Regional Chief Terry Teegee, BC Assembly of First Nations, Nov 5, 2018)

“Today’s bill introduces some significant improvements to the current environmental assessment process that move us toward that goal. We are encouraged that the Province acknowledges there is more work ahead and we look forward to contributing.” (Gavin Smith, staff counsel, West Coast Environmental Law Association, Nov 5, 2018)

Background:

- Government engaged extensively on a revitalized EA process for over a year, consulting with Indigenous nations, industry, communities, environmental organizations and the public.
- The initial engagement was followed by a Discussion Paper outlining proposed changes to BC's EA process in June 2018. Results from the public engagement on the Discussion Paper were published in a "What We Heard" paper. An Intentions Paper was released in October 2018.
- The new Environmental Assessment Act modernizes the EA of major projects by providing a clear and timely path for the approval of responsible resource projects, pursuing reconciliation with B.C.'s Indigenous peoples, increasing public engagement and transparency, and delivering stronger environmental protections.
- The legislation also provides:
 - Increased clarity and certainty to project proponents through an early engagement phase that will identify the focus areas for the project assessment prior to proceeding through an environmental assessment.
 - Enhanced public engagement including additional comment periods and earlier collaboration between the Environmental Assessment Office and local communities, coupled with funding to support public participation.
 - The ability to more fully assess positive and adverse environmental, economic, social, cultural and health effects, including greenhouse gas emissions, and require their consideration in decisions.
 - Strengthened compliance and enforcement for approved projects, along with audits, to make sure conditions included in EA certificates are mitigating identified adverse effects as intended.
- The new Environmental Assessment Act received royal assent on Nov 27, 2017.
- Supporting regulations and operational policies are being developed, with the goal of implementing the revitalized EA process in fall 2019.

Species at Risk

Highlights:

- Green Caucus will ask questions about provincial funding and habitat protection for species at risk.
- Green Caucus may point to a report from the World Wildlife Fund that says global wildlife populations have dropped by 60% in the last 40 years.
- Green Caucus may also ask why funding for species at risk doesn't specifically focus on habitat protection.

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Background:

- British Columbia is Canada's most biologically diverse province and has the greatest number of species at risk in Canada, with over 220 species assessed as being endangered, threatened, or special concern under the federal Species at Risk Act.
- In 2017, government mandated the enactment of an endangered species law. This legislation is now under development.
- The first stage of engagement for the new legislation, listening to concerns and priorities to understand perspectives, ended late summer 2018. This phase of the engagement process included:
 - March-August, 2018: Public and stakeholder dialogue on govTogetherBC website (96 comments as of August 28)
 - April, 2018: Meetings with targeted stakeholders (98 stakeholder groups)
 - May, 2018: Local government engagement webinars (55 individuals from various local governments attended)
 - June 13-14th, 2018: Multi-stakeholder engagement workshop in Richmond, B.C. (76 stakeholder groups)
 - May-Aug, 2018: Indigenous area-based meetings (23 sessions over 9 weeks, with 105 nations represented)
- Government is currently determining the next phase of Indigenous, stakeholder, and citizen engagement.
- Input from engagement will inform a policy intentions paper, which will be open for comment upon its release in 2019.
- This Intentions Paper will outline B.C.'s intentions for species-at-risk legislation.

Jobs and Economy

Highlights:

- Private sector forecasters expect that BC's real GDP growth will be the fastest in Canada for the next two years.
- BC has had the lowest unemployment rate for 21 months in a row

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Businesses are investing...

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Background:

- Private sector forecasters estimate BC real GDP to grow by 2.3% in 2018 – **among the highest in Canada** (behind Alberta and Quebec) and above the national average of 2.1%. [FIN]
- Private sector forecasters expect that BC's real GDP growth will be the fastest in Canada for the next two years.

April Labour Force Survey (released May 2019)

Unemployment

- Unemployment rate at 4.6%
- BC has the lowest in Canada for 21 months in a row.

Job Growth

- Year-over-year employment in the province increased by 82,100.
 - +44,000 full-time and +38,000 part-time
 - +91,200 private sector, -4,300 public sector, and -5,000 self-employed
- Month to month employment:
 - +5,900 jobs (+29,900 full-time, -24,000 part-time), leading all provinces in full time job creation
 - +19,900 private sector, +5,000 public sector and -19,100 self-employed

Wage Growth

- 2018 was BC's highest annual wage growth in the last 10 years.

Exports and Retail

- In 2018, merchandise exports rose 7.3% compared to 2017. [FIN IN, Mar/19]
- In 2018, exports to the U.S. rose 2.3%, while exports to other countries rose 12.5% compared to 2017. [FIN IN, Mar/19]
- In the first quarter of 2019, BC's exports rose 2.1% and the value of B.C.'s commodity exports grew 5.1% in March. [BC Stats, May/19]

Housing

- In April 2019, the level of B.C. housing starts was 51,093 units, up 23% from the same month last year and well above the historical annualized monthly average of 30,000 units [CMHC, May 2019]
- In Vancouver, the number of housing starts remains 34.2% above the 10-year average. [FIN IN, May 19]

Support for Rural B.C.

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Accomplishments – Spring Session 2019

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Budget 2019 - Carbon Tax

Highlights:

- On April 1st, 2018 the carbon tax increased by \$5 per tonne. It will increase by \$5 each year to meet the federally mandated carbon price.
- Budget 2019 announces increases to the climate action tax credit of 14% for adults and children. A family of four will receive up to \$400 (up \$50 from 2018).
- The Opposition has criticized government's approach to carbon pricing, saying it's not revenue neutral and questioning why the revenue collected isn't all being used for CleanBC initiatives.

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Background:

- The Federal carbon price mandate begins at \$10/tonne in 2018 and rises by \$10/year to \$50/tonne in 2022. The federal approach will be reviewed by early 2022 to ensure it is effective and confirm future price increases.
- BC's Carbon Tax was implemented on July 1, 2008 at \$10/tonne and was increased \$5 each year until it reached \$30/tonne in 2012.
- Budget 2018 confirmed BC's Carbon Tax will increase by \$5 per tonne each year starting April 1, 2018 in order to meet the federally mandated carbon price.
- It also confirmed an additional \$40 million per year will be provided to low and moderate income British Columbians through enhancements to the climate action tax credit.
- The enhancement raises the benefit for a family of four by \$50, which is equal to the additional cost they would incur from the \$5 increase to the Carbon Tax.
- BC's climate action tax credit now provides up to \$135 per adult and \$40 per child. A family of four receives up to \$350 annually. The maximum benefit goes to families with income up to \$39,658 and is phased out at higher incomes.
- Budget 2019 announces \$223 million over 3 years to increase the climate action tax credit in 2019, 2020, and 2021.
- CleanBC includes a climate change accountability process. This involves a legislative requirement to table an annual report of GHG spending, program results and anticipated reductions in GHG emissions and climate risk from the previous year.
- Effective July 1st, the maximum annual credit is increased by 14% for adults and children.
- Low and middle-income families of four will receive up to \$400 this year, an increase of \$50 over last year.
- The Federal Government's carbon tax rebate will provide a family of four in Ontario with \$307 next year, rising each year to \$718 by 2022.

South Okanagan National Park

Highlights:

- MLA Linda Larson is calling on the federal government to hold a referendum on the South Okanagan national park.
- Parks Canada launched public consultations in December 2018 that will run until mid-March.

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Background:

- In 2002, members of the local community and some First Nations approached Parks Canada with a proposal to establish a national park reserve in the South Okanagan-Lower Similkameen region.
- In October 2003, Canada and B.C. signed a Memorandum of Understanding to study the feasibility of establishing three new federal protected areas in B.C, including a potential national park reserve in the South Okanagan–Lower Similkameen.
- In 2010, senior officials representing B.C. and Canada agreed that the feasibility study, with the exception of First Nations elements, was substantially complete, and that the proposed national park reserve in the South Okanagan–Lower Similkameen was feasible.
- In January 2011, however, Government determined that the Province would not proceed with establishment of the national park reserve at that time due to continued local opposition.
- This information was communicated to the public beginning in December 2011.
- Between 2012 and 2017, several regional and municipal governments, chambers of commerce, tourism organizations and local businesses passed resolutions, wrote to or met with representatives of the Province requesting the Government of B.C. re-engage in discussions on the national park reserve.
- In November 2014, the Minister of Environment followed up on a commitment made in July 2014 and met with First Nations.
- This was followed by meetings with area stakeholders on land use objectives, including environmental protection, tourism development and outdoor recreation.
- On August 13, 2015, the Province released (for public feedback) an intentions paper proposing how land might be protected in the South Okanagan.
- The release of the intentions paper generated 3,460 responses.

- On January 27, 2017, the Province announced the proposal for South Okanagan land protection was moving forward with support from the three Okanagan Nation communities most affected by the proposal.
- Also at this time, the federal minister expressed interest in considering the proposal.
- On October 27, 2017, the Province, federal government and the Syilx/Okanagan Nation announced a renewed commitment to work together to establish a new national park reserve in the South Okanagan.
- Since the October 2017 announcement, each party has put in place the necessary resources and personnel to participate in this work.
- A contribution agreement between Parks Canada and the Osoyoos Indian Band and the Lower Similkameen Band is now in place, which provides capacity funding to facilitate the participation of the Okanagan Nation. The tri-partite working group has been meeting monthly since March 2018.
- The focus of discussions has been on reviewing previous work by the Province, First Nations groups, and Parks Canada to identify a recommended park concept and management approaches.
- In December 2018, Parks Canada launched an online public consultation process that will run until mid-March. The consultation website also includes a conceptual working boundary for the national park reserve (approximately 27,300 hectares).

LNG and Climate

Highlights:

- The 2019 Speech from the Throne highlighted the LNG Canada project, reinforcing government's 4 conditions for LNG in BC.
- MLA Weaver has said government's focus on short term investments will exacerbate climate change.

s.13

Background:

- CleanBC was announced in December 2018, outlining the province's plan to reduce climate pollution while creating more jobs and economic opportunities for people, businesses and communities. It was developed by the government and members of the Green Caucus.
- CleanBC was developed as a pathway to achieve the Province's reducing greenhouse gas (GHG) emissions by 40% by the year 2030, based on 2007 levels.
- The plan describes and quantifies measures that will eliminate 18.9 megatonnes (Mt) of its 2030 target. The LNG Canada project was factored into this plan.
- The Climate Change Accountability Act, passed in May 2018, sets new legislated targets of a 40% reduction in carbon emissions from 2007 levels by 2030, and a 60% reduction by 2040. It reaffirms the pre-existing target of 80% below 2007 levels by 2050.
- BC reached its first greenhouse gas emissions reduction target of 6% below 2007 levels by 2012 as set out in the Province's Climate Action Plan.
- In December, the 2015 Provincial Inventory of Greenhouse Gas Emissions was released which showed total emissions increased 1.6% to 63.3 Mt in 2015, up from 62,308 Mt in 2014.
- The 2016 interim target was for BC to be 18% below 2007 levels, and the 2015 result was only 4% below.
- Andrew Weaver has argued that meeting provincial targets would be impossible if any significant LNG projects were built – suggesting that LNG Canada would produce up to 10Mt of CO2 equivalent.

• s.13,s.21

- Some higher external estimates of LNG Canada's impact use incorrect assumptions about the sourcing of the feedstock natural gas.
- The project will use natural gas from the Montney which has lower carbon intensity and presents greater options for electrification.

• s.13,s.21

Campbell River Watershed

Highlights:

- MLA Furstenau (Cowichan Valley) will ask about a proposed certificate for the Upland Landfill and potential impacts on the Campbell River Watershed.

s.13,s.21

- On April 28, following 30 days of public feedback, the Statutory Decision Maker will make a final decision.
- The Campbell River Environmental Committee and the City of Campbell River are opposed to the certificate. They've voiced concerns about contamination of Campbell River's drinking water and impacts on the Quinsam River hatchery.

s.13

Background:

- s.13
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- A local environmental group (Campbell River Environmental Committee - CREC) is opposed to the project due to concerns about contamination of Campbell River's drinking water and the Quinsam River hatchery. The City of Campbell River is also concerned about the safety of its drinking water supply.
- s.16
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- s.21
- The draft OC includes 20 pages of detailed operating requirements which improve clarity and enforceability of requirements and will ensure the landfill meets or exceeds current ministry standards.
- A public facing ministry website has been developed explaining the background, the rationale behind OC application, and provides links to the draft OC and other technical documents.
- The review process to date has considered input and comments from CREC and the City.
- Upland has also completed consultation with local First Nations.

Alberta Relations

Highlights:

- Alberta Premier Jason Kenney has declared Bill 12 into law. He says he doesn't intend to immediately "turn off the taps," but rather wants the new law as a tool to use if circumstances require it.
- On the morning of May 1, the government of BC filed in Alberta court to strike down Bill 12 and seek an injunction in the meantime.
- The Opposition Leader has called on government to *not* challenge Bill 12.

s.13

Background:

- The Federal Finance Minister announced on May 29 that they reached an agreement to buy the existing Trans Mountain pipeline and assets related to the Trans Mountain Expansion for \$4.5 billion.
- On Aug 30, the Federal Court of Appeal quashed the federal approval of the TMX expansion project. The court ruled that the federal government had not adequately consulted with First nations and that the NEB's review "unjustifiably" didn't include tanker traffic and impacts on Southern Resident Killer Whales.
- On Sept 21, the federal government announced they would send the TMX pipeline for an additional 22-week review by the NEB on marine traffic impacts.
- BC registered as an intervenor in the additional NEB review process.
- On October 3rd the federal government appointed former Supreme Court Justice Iacobucci to lead further First Nations consultation on the project. The federal government says they expect this process will take several months.
- On Jan 22, 2019, BC submitted its final argument to the NEB.
- BC's final argument covered a range of topics related to marine spills including the gaps in the federal Oceans Protection Plan, the fate and behaviour of diluted bitumen in marine environments and the ability to respond to a marine spill in adverse weather conditions.
- On February 22nd the NEB released its report recommending approval of the project while noting that it would have significant adverse impacts on Southern Resident Killer Whales and on Indigenous cultural use of the whales. They also found the environmental impacts of a serious spill would be severe.
- BC sent a reference to the BC Court of Appeal which consists of a proposed amendment to the Environmental Management Act and three questions to confirm the province's authority to make such a law.
- In December 2018, BC and the federal government submitted written arguments for the reference case. The deadline for each jurisdiction to respond to each other's written arguments is February 28, 2019.
- Hearing dates for the reference case began in March 2019 and a decision is expected to take 6-12 months.

SIA

Highlights:

- The Green Caucus will ask questions about the closure plan for the SIA site, and raise examples of comments made by Premier Horgan prior to July 2017.

s.13

Reference Case

Highlights:

- On May 24, the BC Court of Appeal unanimously ruled against the province in the reference case. Specifically, the court said BC doesn't have the jurisdiction to bring in the proposed amendments to the Environmental Management Act.
- In response, the Attorney General said BC will appeal the decision to the Supreme Court of Canada.
- The Opposition says the BC government should stop blocking the Trans Mountain Expansion project and have continued to link this project to Metro Vancouver's gas prices.

s.13

Solution:

- Our government said from the outset that we would stand up for British Columbia's environment, economy and coast.
- We have a responsibility to defend the interests of British Columbians and that is exactly what we have been consistent in doing.
- We strongly believe that we have the authority and the responsibility to defend our coast and our environment.
- That's why we will take this case to the Supreme Court.
- A single spill of diluted bitumen would threaten tens of thousands of jobs and billions of dollars of economic activity.
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- We will continue to defend our jobs and our coast.

s.13

s.13

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- In December 2018, BC and the federal government submitted written arguments for the reference case. Both jurisdictions responded to one another's written arguments in February 2019, with hearings taking place in March 2019.
- On May 24, the BC Court of Appeal ruled unanimously against BC in the reference case. The Attorney General responded by saying BC will now take the case to the Supreme Court of Canada.
- Section 36 of the Supreme Court of Canada Act gives the province the right of appeal on a reference case.
- There are numerous instances of the Supreme Court of Canada overturning unanimous BC Court of Appeal decisions. Examples include: *Bessette v. British Columbia* (2019), *SA v. Metro Vancouver Housing* (2019) and *Creston Moly Corp. v. Sattva Capital Corp* (2014).