

## LNG and Climate

### Highlights:

- Andrew Weaver has said that LNG development would add 10 Mt of emissions and is incompatible with meeting the province's greenhouse gas emissions reductions targets.
- In a February 2<sup>nd</sup> op-ed, Merran Smith questioned how the province would meet ghg targets with currently permitted LNG facilities unless they switched to electrification and other sectors reduced emissions faster than otherwise.

### Contrast:

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## Solution:

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## Background:

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- The Greenhouse Gas Reduction Targets Act sets out legislated targets for reducing emissions. Under the Act, BC's GHG emissions are to be reduced by 33% below 2007 levels by 2020 and 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.
- In a February 2<sup>nd</sup> op ed, Merran Smith and Dan Woynillowicz said
  - Questioned how the province would meet ghg targets if the currently permitted LNG plants went forward without changes to their technology.
  - If facilities were almost entirely run on electricity, and upstream methane emissions were significantly reduced, there would be room for the equivalent of a single large LNG facility and a few smaller ones.
  - Other industrial sectors and households would have to cut their pollution faster to accommodate LNG emissions.

## Opposition - ICBC

### Highlights:

- Postmedia reported that the previous government redacted a 2014 report to remove recommendations to fix financial problems at ICBC.
- Wilkinson has alleged that the Attorney General is being investigated for leaking the report.

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**Solution:**  
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## Background:

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- Figures for the first nine months of the 2017/18 fiscal year show a net loss of \$943 million at ICBC with full year losses expected to reach \$1.3 billion.
- Postmedia has reported that the previous government redacted a 2014 report on ICBC to remove recommendations on how to fix the growing crisis.
- The Attorney General announced changes to the Basic Insurance product:
  - \$5,500 cap on general damages for pain and suffering from legally defined minor injuries, with the option to purchase additional coverage;
  - Substantial increases to wage loss, funeral and death benefits;
  - A doubling of the upper limit for medical and rehabilitation costs;
  - Alternative Dispute Resolution for the majority of injury claims through the Civil Resolution Tribunal;
  - Payment of wage loss and medical expenses as they occur rather than lump cash settlements, and ICBC becomes second payer on tort wage loss and medical costs;
- Increases to medical benefits are retroactive to January 1, 2018 with other changes anticipated to take effect April 1 2019.

### *Accident benefit details:*

- Doubling the lifetime allowance for medical care and recovery costs for those catastrophically injured in a car accident from \$150,000 to \$300,000. Legislation will be introduced with the intention of making this benefit retroactive to Jan. 1, 2018, in order to start immediately helping seriously injured British Columbians.
- Covering a greater variety of treatment services.
- Significantly increasing the amount covered for treatments, so customers don't have to pay out-of-pocket.
- More than doubling wage loss payments to \$740 per week, almost doubling home support benefits to \$280 per week, tripling funeral cost coverage to \$7,500, and increasing death benefits to \$30,000.

### *Alternative dispute resolution:*

- Use of the CRT for minor injury dispute resolution means claimants who don't use a lawyer will get to keep their entire settlement, rather than paying a portion of it to lawyer fees.
- The use of the CRT for these disputes will also reduce ICBC's legal costs, which account for 24% of the corporation's total annual costs. These costs are greater than the cost of running ICBC.

# Opposition - Main

**Message:**

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## BC Hydro Rate Freeze

### Highlights:

- The government directed BC Hydro to amend its request to the BCUC in order to request a 0% rate increase for April 2018.
- The BCUC extended hearings to receive arguments on the Premier's comments in a scrum about rate freezes and targeted rate relief.

### Contrast:

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### Solution:

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## Background:

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- The government has directed BC Hydro to amend its current Revenue Requirement Application to the BCUC in order to request a 0% rate increase next year.
- The previous application from BC Hydro was for a 3% increase that would have taken effect on April 1, 2018.
- The BCUC extended the hearing schedule to hear arguments related to comments made by the Premier at a scrum on January 16, 2018.
  - “On the rate freeze, it was a commitment we made during the election campaign. We've asked Hydro to apply for a zero percent increase, and we'll see how that unfolds. I am now more convinced than ever that the better course of action on affordability is not blanket reductions or freezes but targeted to those who can best benefit from relief in this area. Andrew, you and I have talked about this, and I've spoken about a thing called lifeline rates. That's the generic name for it, but basically means testing. Those that are seeing significant increases in their Hydro bills, if they can't find Power Smart ways to reduce those costs, then perhaps relief from the utility or from the province is a way to do that. I've directed the board chair to take a look at that. That's not new. That's underway. That was one of the first things I did. We haven't got progress yet. Good question.”
- The BCUC is expected to announce its decision by the end of February.
- The rate freeze would mean BC Hydro would have to forego \$150 million in planned revenues next year, and absorb the cumulative impact of that lost revenue in following years.
- The difference in revenue for the next fiscal year would be transferred into the rate smoothing account.
- The government has committed to a comprehensive review of BC Hydro to identify cost savings and keep rates low while ensuring BC Hydro has the resources required to continue delivering electricity.
- Details on the scope and process of the review are being developed now that the decision on Site C has been made.

## Proportional Representation

### Highlights:

- The Attorney General introduced legislation to enable a referendum on electoral reform by the end of November 2018.
- The new Leader of the Opposition has said fighting against proportional representation is his number one priority.

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## **Solution:**

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## Background:

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- The legislation enables a referendum on proportional representation no later November 2018.
- If a new voting system is approved, it will require Government to introduce legislation to implement the new system in time for a provincial general election to be called after July 1, 2021.
- The referendum will be conducted by mail-in ballot, with the chief electoral officer overseeing the process. The threshold will be 50% +1 province-wide
- The Attorney General will act as an independent official and refrain from engaging in debate, and will recuse himself from any Cabinet or caucus discussion regarding the referendum.
- The public engagement process on How We Vote closed on February 28<sup>th</sup>. There was more input collected than in any public engagement in the province's history.
- 180,880 people visited the How We Vote engagement website between November 23, 2017 and Feb 28, 2018. 88,547 British Columbians completed the online questionnaire.
- The engagement also received hundreds of written submissions from people, as well as submissions from more than 30 organizations.
- All feedback received through the engagement process will be summarized and advice will be provided to the Attorney General in a formal report.
- This report will include a recommendation of questions to be included on the 2018 referendum ballot and will also help in the creation of regulations.
- If a referendum question has only two possible responses, the response with 50% +1 of the valid votes cast will be considered binding.
- If there are more than two possible responses to a referendum question, the regulation will specify how voters may mark their ballot to indicate their preferences. The regulation will then specify how those ballots are to be counted so that one voting system may receive 50% + 1 of the votes cast.
- MLA for Kootenay East attended a proportional representation meeting in Cranbrook on January 31<sup>st</sup> and signed Fair Vote Canada BC's Pledge to vote YES to proportional representation according to [photos from the event](#).

# UNDRIP

## Highlights:

- Every minister's mandate letter includes direction to review policies, programs, and legislation to determine how to bring the principles of [UNDRIP] into action in British Columbia.
- Some critics have tried to frame the "free prior and informed consent" clause as a veto for First Nations on economic development that impacts their territory.

## Contrast:

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## Solution:

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## Validators:

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## Background:

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- The UN Permanent Forum on Indigenous People which ran from April 24 to May 5, 2017, in New York took as its key theme is the 10th anniversary of UNDRIP and the measures that have been taken to implement the declaration. It will also discuss violence against women. In a speech at the opening ceremonies Carolyn Bennett, federal minister of Indigenous and Northern Affairs Canada, formally retracted Canada's concerns on "free, prior and informed consent," which was a request made by a delegate of Canadian First Nations.
- On Feb. 22, 2017, the Prime Minister announced the creation of a working group to review laws and policies related to Indigenous people. This will include UNDRIP and supporting implementation of TRC calls to action.
- On May 10, 2016, Minister Bennett formalized Canada's position on UNDRIP. She confirmed Canada is a full supporter of UNDRIP, removing previous qualifications when Canada endorsed UNDRIP in 2010.
- In B.C., some First Nations have claimed that the declaration wording on "free, prior and informed consent" (FPIC) provides them a veto over land use decisions. The FPIC wording was a point of contention for the previous B.C. government.
- In October 2016, the First Nations Summit passed a resolution calling on B.C. to uphold Canada's "unqualified" endorsement of UNDRIP and commit to the implementation of TRC's 94 Calls to Action. They called on B.C. to follow Ontario's example on reconciliation through their "Statement of Ontario's Commitment to Reconciliation with Indigenous Peoples" in May 2016.
- Federal officials indicate that the government will adopt and implement UNDRIP in accordance with the Canadian Constitution and that UNDRIP "reflects the spirit and intent of our treaties."
- On Dec. 15, 2015, following the TRC's final report, the Prime Minister committed to "[working] with leaders of First Nations, Métis Nation, Inuit, provinces and territories, parties to the Indian Residential School Settlement Agreement, and other key partners, to design a national engagement strategy for developing and implementing a national reconciliation framework, informed by the Truth and Reconciliation Commission's recommendations." The approach of the strategy and framework haven't been defined.
- The TRC's Call to Action No. 41 says: "We call upon federal, provincial, territorial, and municipal governments to fully adopt and implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as the

framework for reconciliation.” Sept. 13, 2017, is the 10th anniversary of the adoption of UNDRIP by the UN General Assembly.

- Canada’s intent is to position the adoption of UNDRIP within the Canadian Constitution and rely on existing mechanisms such as treaties and self-government agreements. The federal government does not see the adoption as giving a veto to First Nations.
- On November 20, 2017, federal Minister of Justice Judy Wilson-Raybould announced that the Liberal government would back Romeo Saganash’s private members bill that calls for the full implementation of UNDRIP.



# Ride-hailing

## Highlights:

- A new coalition to demand legal ridesharing in B.C. called “Ridesharing Now B.C.” has been formed by groups including the Vancouver Board of Trade, B.C. Business Council, Canadian National Institute for the Blind and the San Francisco-based on-demand transportation company Lyft.
- The Select Standing Committee on Crown Corporations tasked with examining the issue held a series of public consultations in January and is expected to deliver a report on their findings in February 2018. This review would complement the Hara review, not repeat it.
- Questions may be asked about when ride-hailing legislation will be brought forward and what it will include.

## Contrast:

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- Uber first came to the province in 2012, but the members opposite failed to bring forward a solution in five years.
- Even they agreed in their clone speech that “legitimate implementation concerns remain”.
- We’re fixing that by working towards a plan that works for people in our province.

**Solution:**

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## Quotes:

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“Whenever there's a new technology that does offer potential benefits and net improvements, it's always possible to allocate those benefits so that there's a win-win-win. So that users win, customers win and, also, so that providers win; so that people who have sunk their lives into the industry are not suddenly disrupted.” Dr. Dan Hara, ride-hailing/taxi consultant, Globe and Mail, October 18.

“For British Columbians looking for other modern options to get from A to B, your government will deliver on its commitments to support car and ride sharing. While all parties in this legislature publicly stated their support for ride sharing in the recent election, **your government has heard the message that legitimate implementation concerns remain.** Any proposed legislation will be referred to an all-party committee for extensive consultation with the public and stakeholders, in particular regarding boundaries and insurance.” Clone Speech, June 2017

## Background

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- On October 16th, 2017 Minister Trevena announced that the government hired industry expert Dr. Dan Hara of Hara and Associates to consult with the taxi industry, ride hailing industry and other stakeholders to provide recommendations to government on how to modernize the taxi industry in British Columbia and look for opportunities for the industry to modernize their service delivery model.
- Dr. Dan Hara has 21 years of experience advising government agencies on regulatory and transportation policy, including taxi regulation.
- He provided support to the 2015 Vehicle for Hire Dialogue in Vancouver which looked at ways the city could find consensus among current stakeholders on key issues, including commercial ride-share.
- The report Dr. Hara produced from this dialogue served as a framework for discussion and identified issues and choices only – it did not include

recommendations and was intended as a starting point for industry / stakeholder discussion.

- Dr. Hara presented his draft report to government in December and the ministry is carefully reviewing it.
- This report and his recommendations will help government move ahead with a final report to present to the public in the spring of 2018 and a plan to introduce ride hailing in the province by the fall. Legislative changes will likely take place during the 2018 fall session.
- On November 23rd, MLA Weaver announced that an all-party committee of MLAs would look more closely at the topic of ride hailing. The committee held a series of public consultations in January to look at the issue in a broader context.
- The committee is expected to deliver a report on their findings in February 2018. This review would complement the Hara review, not repeat it.

#### Ride hailing – prior to 2017 Provincial Election:

- The previous government announced its plans for ride hailing on March 7, 2017 and committed to bringing its model into place by December 2017.
- In response to this announcement, the Vancouver Taxi Association issued an open letter to the previous government on March 9th, criticizing the plan by saying the proposed insurance model was unfair and that not restricting the number of taxi licenses issued would create destructive competition in the taxi industry.
- In its letter, the VTA expressed a desire to work with the NDP government to come up with a model that meets the interests of taxi users while protecting the existing industry.
- In 2012, Uber entered the B.C. market with an app-based black car service, but was forced to suspend service following an order from the Registrar of Passenger Transportation.

# CASA Accomplishments

## Highlights:

- The Confidence and Supply Agreement between the BC Green Caucus and the BC New Democrat Caucus is the basis of the stable government.
- This is a list of accomplishments based on cooperation between Government and the Green caucus as part of CASA.

## Contrast:

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**Solution:**

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## Quotes:

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# Opposition Ethics Record

## Main Message:

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# Premier's Office Information Management

## Background:

- Emails to and from staff in the Premier's office are regularly the subject of FOIP requests.
- Outgoing responses show the new government is disposing of transitory emails and did not continue Christy Clark's direction that political staff keep every email.
- The opposition may argue that political staff should not be disposing of transitory records in accordance with policy and OIPC recommendations.

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## Solution:

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## Quotes:

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# Opposition – Broken Promises

## Highlights:

- The old government had a long record of breaking promises to British Columbians

## Contrast:

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# Opposition Mismatch

## Main Message:

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Quotes:

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# Massey Replacement

## Highlights:

- On February 16, the B.C. government announced it is moving forward with the construction of a \$1.377-billion bridge to replace the aging Pattullo Bridge.
- The opposition may ask why government is building Pattullo bridge, but cancelled the George Massey bridge project.

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## Validators:

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“As you know, Delta Council is very supportive of the Provincial government’s decision to undertake an independent review of the project. We appreciate that it is important to ensure that any decision on the future of the crossing is based on the best available information.” –Delta Mayor Lois Jackson, in letter to Minister Trevena, Oct. 13

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“We have been trying to constructively comment on this proposal from the first day it was announced. We have been disregarded and ignored in the questions that we have asked. I think that it’s absolutely critical to the future of our city that there be a re-examination of this project. It’s so important in so many different ways.” – Richmond Mayor Malcolm Brodie (July 24, 2017)

“It’s exactly what Metro Vancouver regional district called for. We acknowledge there’s a traffic issue along that corridor and something needs to be done, but the scope of the 10-lane bridge was too big and they needed to work with local governments around the whole region, including Metro Vancouver, to find the appropriate solution.” Greg Moore, chair of Mayor’s Council (Sept. 6, 2017).

(More on next page)



## Background:

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- On Nov. 1, the Province announced that Stan Cowdell had been given a contract to conduct the independent technical review of the George Massey Tunnel crossing.
- The ministry expects the review to report out by late spring 2018.
- The review will include the following:
  - 1. Review the technical objectives for George Massey crossing improvements;
  - 2. Review the analysis and assumptions made for the Project;
  - 3. Review and analyze previous information collected on considerations such as environmental, agricultural and port-related traffic (e.g., marine, trucks);
  - 4. Undertake a technical review of safety, seismic and congestion issues for George Massey Tunnel;
  - 5. Review the costs and technical requirements of a tunnel versus a bridge;
  - 6. Identify improvements necessary to address safety, seismic and current congestion issues, including any technology limitations;
  - 7. Review traffic models and, with TransLink, determine regional traffic model to be used for George Massey and other future regional traffic demand analysis;
  - 8. Use the outputs from provincial, regional and local transportation planning and regional traffic modelling to validate the future traffic demand for the George Massey crossing;

- 9. Identify George Massey improvement options that meet technical objectives, including the size and capacity of the infrastructure, scope and cost.
- The Province's work on the project, up to this point, will be looked at closely as part of the independent review, including technical information developed by the project team and from Metro Vancouver municipalities, as well as new analysis that includes looking at how the removal of tolls will affect the crossing.
- While this review is underway, Minister Claire Trevena will engage mayors from Metro Vancouver, including Richmond and Delta, to gather their perspectives on the project, and to ensure that any plan for this crossing reflects their ideas and fits into the overall vision for the region.
- Pending the outcome of the review, the current procurement process has been cancelled and the project will not be budgeted for in the government's capital plan until a solution has been identified.
- The terms of the request for proposals dictate that each of the two final bidding teams will be paid up to \$2 million to help offset their expenses to date.
- The 10-lane bridge project is estimated at \$3.5-billion.

# Budget 2018 Spending and Balance

## Highlights:

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## Quotes:

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## Background:

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- Budget 2018 projects a surplus of \$219 million in 2018/19, \$281 million in 2019/20, and \$284 million in 2020/21
- The budget includes forecast allowances of \$350 million in 2018/19, \$500 million in 2019/20, and \$600 million in 2020/21.
- The fiscal plan includes contingencies of \$550 million in 2018/19, and \$750 million in each of 2019/20 and 2020/21.
- The Budget 2018 outlook for BC's real GDP growth is lower than the outlook provided by the Economic Forecast Council (0.2 percentage points lower in both 2018 and 2019 and 0.1 point lower for 2020 to 2022 period).
- Budget 2018 projects that government will complete the elimination of BC's operating debt in 2018-19, one year ahead of the previous schedule.
- BC is the only province rated triple-A with all three international credit rating agencies: Moody's, Standard and Poor's, and Fitch.
- Employment is up by 3.6% which is the fastest growth in the country.
- The unemployment rate is the lowest in the province in 9 years and the lowest in Canada.
- Exports are up 17.3% year-to-date with growth driven mainly by energy exports.

# Budget 2018 Taxes

## Highlights:

- The Opposition says cumulative tax increases including the employer health tax, the carbon tax, and the minimum wage increase will hurt businesses.

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## Background:

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- Budget 2018 introduces a number of changes to improve tax fairness and address concerns in the real estate market.
- A new speculation tax will apply to vacant homes owned by non-BC residents. The rate will start at 0.5% and rise to 2% in future years.
  - People who own property but don't pay income tax in BC will be subject (empty homes, satellite families)
  - An individual living in the home as their principal residence or renting it out long-term will be reimbursed through a provincial tax credit.
  - The speculation tax will apply in major metro areas (not Kamloops or Prince George) – not rural areas or cottage country.
- The Additional Property Transfer Tax (aka Foreign Buyers Tax) will increase from 15% to 20% and will be expanded to cover the Central Okanagan, Nanaimo, Capital District, and the Fraser Valley.
- The Property Transfer Tax on homes over \$3 million will increase from 2 to 5%. The school tax on homes over \$3 million will also increase by 0.2% to 0.4%.
- Luxury car sales tax on vehicles over \$125,000 will increase from 10 to 15% and on vehicles over \$150,000 will increase to 20%.
- The excise tax on tobacco will increase by \$6 on a 200 cigarette carton.
- In 2000, the MSP premium for a single individual was \$36/month but by 2016 that amount had risen to \$75/month – more than double.
- Budget 2018 announces that MSP will be fully eliminated on January 1, 2020.
- When fully eliminated, individuals will save up to \$900 per year and families up to \$1,800.
- The MSP premium elimination will be funded through the implementation of an employer health tax.
- To protect small businesses, the tax will not apply to employers with payroll under \$500,000. For employers with payroll between \$500,000 and \$1.5 million, the tax rate will phase in gradually until it reaches 1.95 per cent at \$1.5 million and above in total payroll.

## Budget 2018 – Resource Sector

### Highlights:

- The opposition has said that the Budget projects lower revenues from the natural resource sector.
- The opposition has also claimed that the carbon tax will hurt natural resource businesses and jobs.

### Contrast:

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## Solution:

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**Validators:**

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“British Columbia was the least-risky jurisdiction in the region and the world with a score of 86.”

– Mining Journal’s World Risk Report, Nov 2017

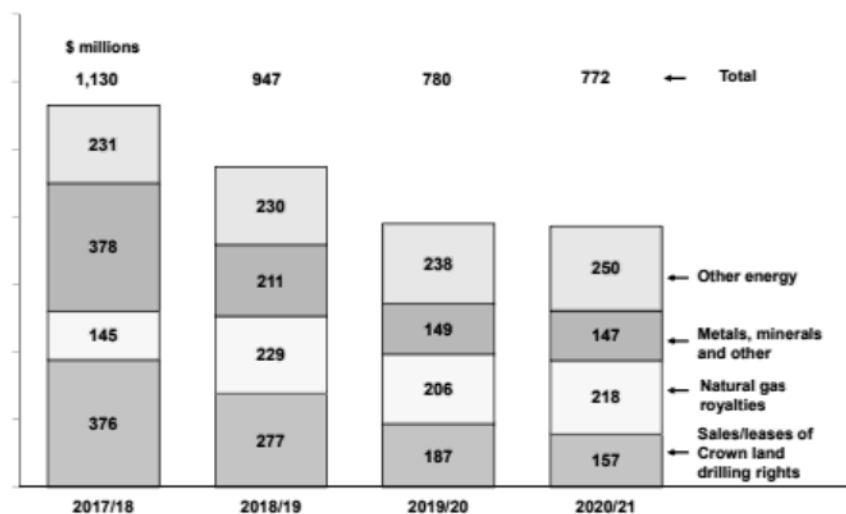
## Background:

- A Fraser Institute report in November suggested that BC was the least attractive Canadian jurisdiction for oil and gas investment but the old government had criticized their previous reports.
- In November, the respected Mining Journal's "World Risk Report" ranked BC as the least risky jurisdiction in the world to invest in a mining project and gave the province a AAA rating.
- The Premier visited the company in Japan that is purchasing a large share of propane shipped from the new Altagas facility at Prince Rupert.

### Natural Resource Revenues (\$'000,000):

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Natural Gas Royalties	144	368	542	151	159	145
Crown Land Tenures	863	859	835	767	623	376
Other Energy and Minerals	472	453	365	316	431	609
Forests	543	674	757	833	859	992
Other Natural Resources	480	481	463	463	490	464
Total	2,502	2,835	2,962	2,530	2,562	2,586

**Chart 1.2 Revenue from energy, metals and minerals**





## 2018 Budget – Main Message

### Highlights:

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## Quotes:

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## Background:

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# Budget – Economy and Jobs

## Highlights:

- Opposition and media may claim that increases to the minimum wage and higher taxes on businesses will cause businesses to shut down leading to job losses.
- The Opposition may also claim that we have no plan to grow the economy to pay for promises.

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## Validators:

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## Background:

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### Fiscal Responsibility

- We are balancing the budget in all 3 years with hundreds of millions of dollars in prudence set aside each year to ensure that we continue to balance the budget.
- Debt-to-GDP and debt-to-revenue ratios have both improved substantially since the Budget 2017 Update and we are confident that BC will retain its AAA credit rating from the 3 major international credit rating agencies.

### Infrastructure and Transportation

- We are making the largest 3 year capital investment in B.C. history.
- We are building the schools, roads, and bridges that create the kind of environment that business needs to thrive.
- And we are freezing all major ferry route fares, which will help lower the cost of doing business.

### Tax Items

- We have cut the small business tax rate from 2.5% to 2.0%.
- We are phasing out the PST on electricity, which has already been reduced by 50%.
- We are extending a number of tax credits that matter to the business community, including: the Mining Exploration Tax Credit, the Book Publishing Tax Credit, and the Interactive Digital Media Tax Credit.
- We have also expended the Film Incentive BC Tax Credit to include scriptwriting.

### MSP

- We are eliminating MSP premiums altogether, which are costly and administratively complex for businesses and government.
- We are replacing the revenue from the MSP with an employer health tax that is simpler to administer and protects small businesses. No firms with payrolls under \$500,000 will pay the tax and firms with payrolls between \$500,000 and \$1.5 million will pay a reduced rate.

- The revenue raised from the employee health tax will be hundreds of millions less than the MSP, returning those dollars to businesses and British Columbians.

## Housing

- We are tackling the housing affordability crisis that has made it so hard to businesses to attract skilled labour to our province.
- We're making the largest investment in housing in B.C. history and we are introducing a new speculation tax to prevent non-residents from driving up the price of homes in our province.

## Childcare

- We are making a historic investment in childcare that will benefit tens of thousands of British Columbians.
- And this investment will help business by allowing tens of thousands of parents who have been forced to drop out of the labour force return to work.

# Meeting with Stakeholders

## Highlights:

- The opposition has said that the BC government is making the wine sector pay the price of an unnecessary dispute over a project that has federal approval.
- The opposition has questioned why the Minister met with stakeholders following the announcement.

## Contrast:

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## Solution:

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**Notes:**

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- People the Environment Minister has met with since November:
  - Encorp Pacific
  - Innergex
  - Fortis BC
  - Borealis GeoPower
  - Encana
  - Rio Tinto
  - Forest Practices Board
  - Invasive Species Council of BC
  - New Car Dealers of BC
  - BC Agriculture Council
  - Assn of Consulting Engineer Companies of BC
  - Assoc. of BC Forest Professionals
  - Adventure Tourism Coalition
  - BC Bottle and Recycling Depot Association
  - Canadian Federation of Independent Business
  - Vancouver Economic Commission
  - Canadian Energy Research Institute
  - Association of Consulting Engineers
  - Salmon Farmers Association
  - Clean Energy BC
  - Mining Association of BC
  - Canadian Association of Petroleum Producers
  - BC Lung Association
  - District of Metchosin
  - City of Richmond
  - City of Victoria
  - City of Vancouver



## Background:

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- On January 30, the BC Environment Minister announced the government is proposing a second phase of spill regulations.
- Energy Markets throughout North America have gone through a correction since mid-January, and investor research companies noted a drop in energy stocks on January 30<sup>th</sup>.
- Nasdaq.com (Jan 30 afternoon)
 

“Energy stocks were sharply lower again, with the NYSE Energy Sector Index Tuesday sinking almost 1.6% while shares of energy companies in the S&P 500 were down more than 1.6% as a group. Crude oil for March delivery was falling \$1.23 to \$64.33 per barrel in New York while the benchmark Brent crude March contract was dropping 81 cents to \$68.65 per barrel.”
- Nasdaq.com (Jan 31)
 

“Benchmarks finished in negative territory on Tuesday following slump in both healthcare and energy stocks. [...] Additionally, recent increase in U.S. shale production led energy stocks downward.
- Major pipeline companies in North America all followed a similar trajectory, declining in each of the five days leading up to January 30<sup>th</sup>.
- The BC Government announced it will produce an intentions paper with an overview of proposed regulations for public comment by the end of February.
- Alberta objected to the proposal and claimed that it was unconstitutional.
- On February 1<sup>st</sup>, Alberta announced it was ceasing talks on upgrading the existing electricity intertie between BC and Alberta.
- On February 7<sup>th</sup>, Alberta announced that it will cease all purchase of BC wine. In 2017 \$70 million was paid to BC producers for wine shipped to Alberta.
- The move is a violation of AB obligations under both the New West Partnership and the Canadian Free Trade Agreement.

# Housing Commitments

## Highlights:

- Budget 2018 announced a historic investment in housing infrastructure.

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## Validator Quotes:

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## Background:

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- Budget 2018 introduced the Government's 30 point plan to address housing affordability, Homes for BC.
- This comprehensive plan included measures to stabilize the market, crack down on tax fraud and loopholes, and building the homes people need.
- Measures include:
  - Building 33,000 affordable units through direct investment.
  - Renovation and retrofits for existing social housing stock.
  - A new HousingHub that will leverage partnerships to build additional units.
  - Introduction of a speculation tax that will apply to vacant homes, homes used for short-term rentals, and homes lived in by satellite families where income supporting the home is being earned in another tax jurisdiction.
  - Expanding the scope of the Foreign Buyers Tax to Nanaimo, Capital Regional District, Central Okanagan Regional District, and Fraser Valley Regional District; also an increase of the rate to 20%.
  - Investment in housing supports for women and children fleeing violence.
  - Requiring developers to report data on pre-sales to ensure capital gains tax is collected.
- The 10 year plan includes approximately \$6 billion in direct investment for building housing stock, and \$1 billion for renovations of existing stock.
- Local governments gain the ability to zone for rentals and use the MDRT (municipal and regional district tax) to fund housing.

# Rural/Urban Infrastructure

## Highlights:

- On Friday, February 16, the B.C. government announced it is moving forward with the construction of a \$1.377-billion bridge to replace the aging Pattullo Bridge.
- The Pattullo Bridge replacement project will be delivered solely by the Province, without funding from Metro Vancouver.

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## Contrast:

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## Solution:

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## Background:

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- The approved budget for the Pattullo Bridge replacement project is \$1.377 billion.

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- The bridge will be a four-lane bridge with road networks improvements in Surrey and New Westminster.
- A reference concept of the bridge and the road network improvements has been developed based on public consultation and endorsed by the mayors and councils of both municipalities.
- The final design of the bridge and approaches will be determined in the coming months as government undertakes further consultation and initiates procurement.
- The bridge is being built to not preclude a six-lane configuration in the future. The superstructure of the bridge such as the towers, piers and abutments will be built to handle the weight of a future six lane bridge.
- The bridge deck will be designed to accommodate four lanes of traffic and pedestrian and cyclist facilities.
- Should the need for six-laning occur, new pedestrian and cyclist facilities would need to be constructed on the outside of the bridge, and the existing facilities would be turned into new vehicle lanes.

- Any future option to add lanes will be considered as a separate project.
- The ministry is working with Surrey, New Westminster and TransLink on a regional road network strategy that will look at conditions that will trigger expansion of the Pattullo Bridge from four lanes to six lanes in the future.

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contract awarded by summer of 2019.

- The new bridge is anticipated to be open in fall 2023.

# Greyhound Service

## Highlights:

- On February 21, the Passenger Transportation Board's issued its decision to allow Greyhound Canada to reduce and eliminate long-haul bus service on 6 routes in Northern BC and 3 routes in southwestern B.C. **as of June 1**, as well as reducing service in other areas of the province.
- As a result, the northern half of B.C. will no longer have Greyhound service, except for limited service from Prince George to Vancouver and Dawson Creek to Edmonton.

## Contrast:

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## Solution:

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## Background:

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- The Passenger Transportation Board has approved Greyhound's application to eliminate service on six routes in North Central B.C. and three routes in southwestern B.C., as well as reduce bus frequency on a number of other routes.
- This decision will likely impact many people and communities, especially those in the North.
- The Board has approved elimination of the following routes:
- North Central Region of B.C.:
  - Dawson Creek – Fort Nelson
  - Fort Nelson – Yukon Border and Hwy 97
  - Dawson Creek – Prince George
  - Prince George – Fort St James
  - Prince Rupert – Prince George
  - Prince George – Alberta Border and Hwy 16
- Southwestern B.C.:
  - UBC - Whistler
  - Victoria – Nanaimo
  - Victoria to Vancouver
- The demand for Greyhound's passenger bus service has declined by 30% over the past five years.
- Routes approved for elimination in the North Central Region have very low ridership and very large operating losses.
- Generally, ridership on the segments approved for elimination was not sufficient to sustain service, given Greyhound's operating losses, and revenue from more profitable routes is insufficient to subsidize the losses on those routes that will be eliminated (cross-subsidization).
- Following the Board's decision, Greyhound must provide inter-city bus service on the 6 routes in North Central B.C. and 3 route segments until at least May 31, 2018.

- This enables Greyhound passengers to travel safely over the harsh winter months and provides time for potential new service providers to submit an application to provide inter-city bus service.
- In the interim, Greyhound may reduce frequency of service. Greyhound must provide notice before reducing service on any route.
- In December 2017, the Passenger Transportation Board held four public meetings in Prince George, Terrace, Smithers and Fort St. John on Greyhound Canada's request to reduce or eliminate bus service along some routes.
- The PT Board also received more than 220 written comments from people across B.C.
- New transit service has started up along Highway 16, with buses running on the Smithers/ Moricetown route, on the Burns Lake to Smithers and Prince George route, and the Terrace and Hazelton service which started this past fall.

# BC Wine

## Highlights:

- On Feb 6, Rachel Notley announced that the AGLC would stop buying BC Wine.
- On Feb 19, the BC government launched a challenge of the Alberta decision through the Canadian Free Trade Agreement.
- On Feb 21, the BCWI launched a constitutional challenge and injunction against the AGLC and claiming \$1 million in lost sales and \$4 million expected by the end of the month.
- On Feb 22, the Government of Alberta suspended the ban.

## Contrast:

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**Solution:**

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## Background:

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- The B.C. government will be placing black and white ads in the following newspapers on Saturday, February 10, 2018 to promote B.C. wines:

Paper	Cost
Globe and Mail	\$9,800
Vancouver Sun	\$12,000
Province	\$6,000
Prince George Citizen	\$2,680
<b>Total cost of newspaper ads:</b>	<b>\$30,480</b>
<b>Estimated creative and production costs:</b>	<b>\$6,500</b>
<b>Estimated total cost of campaign:</b>	<b>\$36,980*</b>

\*Exact costs will be made public as part of Public Accounts.

- BC is home to 929 vineyards, including 254 licensed wineries.
- There are just less than 3,900 hectares of wine grapes and 56 hectares of fresh market grapes.
- Over 60 different grape varieties are produced in the province, the top ten of which include Merlot, Pinot Gris, Pinot Noir, Chardonnay, Cabernet Sauvignon, Gewurztraminer, Cabernet Franc, Syrah, Riesling, and Sauvignon Blanc.
- In 2016, BC wine exports increased 4% to \$9.7 million shipped to 17 international markets.
- The top markets for BC wine were China (54%), Taiwan (23%) and the US (11%)
- Ice wine exports were \$1.8 million of the total.

# Housing Market Outcomes

## Highlights:

- Media reports have suggested that a drop in housing prices could put recent homebuyers underwater.
- The Green Party has asked what the desired outcome of our government's housing policy is.

## Contrast:

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**Solution:**

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## Validator Quotes:

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## Background:

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- Housing Supply – 36,700 units: (including measures for Middle-income, supportive/homeless, women and children, Indigenous, students)

### *Other Key Initiatives:*

- New Housing Hub – build partnerships and affordable homes where people need them most.
- Upgrade existing social housing – \$1.1 billion over 10 years.
- Expand eligibility and increase benefits for RAP and SAFER – \$116 million over three years.
- Strengthen protection for renters – make changes to laws that apply in cases of renovations or demolitions.

### *Tax measures introduced in Budget 2018:*

- A new speculation tax will apply to vacant homes owned by non-BC residents. The rate will start at 0.5% and rise to 2% in future years.
  - People who own property but don't pay income tax in BC will be subject (empty homes, satellite families)
  - An individual living in the home as their principal residence or renting it out long-term will be reimbursed through a provincial tax credit.
  - The speculation tax will apply in major metro areas (not Kamloops or Prince George) – not rural areas or cottage country.
- The Additional Property Transfer Tax (aka Foreign Buyers Tax) will increase from 15% to 20% and will be expanded to cover the Central Okanagan, Nanaimo, Capital District, and the Fraser Valley.
- The Property Transfer Tax on homes over \$3 million will increase from 2 to 5%. The school tax on homes over \$3 million will also increase by 0.2% to 0.4%.

## BC – AB Trade Dispute

### Highlights:

- On Feb 6, Alberta Premier, Rachel Notley announced that the Alberta Gaming and Liquor Commission would stop buying BC Wine.
- BC formally initiated the dispute resolution process under the Canadian Free Trade Agreement on Feb. 19 by requesting consultations with Alberta.
- On Feb. 21, the Wine Institute initiated a constitutional challenge of Alberta's actions because the ban on goods based on their origin. They are also seeking an interim injunction.
- On Feb. 22, BC announced that our government is referring a proposal on bitumen shipments to the courts, resulting in Notley lifting the ban on BC wine.
- Some media reports have incorrectly asserted that alcohol is not covered by the CFTA.

### Contrast:

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**Solution:**

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## Background:

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- Several media reports published on Feb. 23 claim that the Canadian Free Trade Agreement does not cover alcohol.
- These articles are confusing sales of alcohol made directly to consumer with those made by provincial liquor monopolies.
- Provincial monopolies are subject to the obligation in the CFTA to act in a non-discriminatory fashion.
- The Wine Institute of BC filed a formal challenge of the importation section of Alberta's *Gaming and Liquor Act* seeking to have it declared constitutionally invalid.
- They have filed for an injunction to stop Alberta's actions while their constitutional challenge is before the courts.
- BC has also challenged Alberta's actions under the dispute resolution mechanisms under the Canadian Free Trade Agreement. The first stage is a consultation process.
- This first consultation process can take between 120 and 357 days. After the consultation phase, there are several appeals and compliance phases.
- This will be the first time the dispute process under the CFTA has been used. The federal government is responsible for enforcement under this Agreement.
- The move is a violation of AB obligations under both the New West Partnership and the Canadian Free Trade Agreement.
- In 2016, BC wine exports increased 4% to \$9.7 million shipped to 17 international markets.
- The top markets for BC wine were China (54%), Taiwan (23%) and the US (11%)
- Ice wine exports were \$1.8 million of the total.

### *Timeline of dispute:*

- On December 19, 2017 the Federal Government announced funding for oil spill research "to bring scientists together to improve our collective understanding of how oil spills behave, how best to clean and contain them, and how to best minimize their environmental impacts."

- On January 30, the BC Environment Minister announced the government is proposing a second phase of regulations to improve preparedness, response and recovery from potential spills.
- On February 1<sup>st</sup>, Alberta announced it would cease talks on upgrading the existing electricity intertie between BC and Alberta.
- On February 7<sup>th</sup>, Alberta announced that the Alberta Gaming and Liquor Corporation will cease all purchase of BC wine. In 2017 \$70 million was paid to BC producers for wine shipped to Alberta.
- On Feb. 19, BC officially filed a request for consultation under the CFTA, which starts the clock under the dispute resolution mechanisms.
- On Feb. 22, BC referred a proposal on bitumen shipments to the courts for an opinion. This action resulting in Notley backing down from the wine ban in Alberta.

# Aquaculture FOI

## Highlights:

- The Vancouver Sun reported on an FOI containing emails related to the drafting of an October 13 letter to Marine Harvest.
- The story quotes emails from Ministerial Assistants and civil servants and suggests political staff directed the creation and content of the letter.
- In the emails, staff flag that the language in the letter could sound like a threat though it was not intended to be.
- The story notes the letter was reviewed and approved by three ministers and by the Premier's Office

## Contrast:

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## Solution:

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## Background:

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- **Wed, Aug 27, 2017:** Occupations of Marine Harvest fish farms at Midsummer and Swanson Islands began.
- **Tues, Oct 10, 2017:** Alert Bay visit from Premier, Minister of Agriculture, Minister of Indigenous Relations and Reconciliation, Minister of Transportation to hear the concerns of the Namgis, Dzwawdaenuxw, Kwikwasutnuxw Haxwa'mis, Mamlalikula, and Kuterra Nations.
- Conversation between Agriculture DM Wes Shoemaker with Fisheries DM Catherine Blewett regarding Animal and Plant Health Centre and aquaculture.
- **Fri, Oct 13, 2017:** Minister Popham sent a letter to Marine Harvest re: restocking fish farms in the Broughton Archipelago
- **Saturday, October 14, 2017:** Marine Harvest sends response to request to consider implications of restocking in the Broughton Archipelago.
- W5 Piece interview with Dr. Kristi Miller-Saunders made accusations re: Dr. Gary Marty and the data from the Animal Health Centre
- **Tuesday, October 17, 2017:** Phone conversation with Dr. Kristi Miller-Saunders about the accusations, asked for more details about the concerns raised in public.
- **Thursday, October 19, 2017:** Conversation with Dr. Jane Pritchard about the concerns with data produced by lab, and suggestions for how to review and verify the accuracy of data collected.
- Interview with Randy Shore regarding fish farms where he accused Minister Popham of launching an investigation into an individual.
- **October 25, 2017:** Review of Animal Health Centre launched. To be conducted by Don Wright.
- **January 30, 2018:** Meeting in Vancouver with five Broughton First Nations who are opposed to fish farms and staff from the Department of Fisheries and Oceans.
- **February 28, 2018:** Vancouver Sun publishes story on preparation of October letter to Marine Harvest regarding restocking in the Broughton Archipelago.

# Budget Validators

## Validators:

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## MRDT

### Highlights:

- Budget 2018 expands the allowable use of municipal and regional district tax (MRDT) – known as the hotel room tax – to include affordable housing initiatives.

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- Opposition MLAs may claim this will not be supported by tourism operators.

### Contrast:

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**Solution:**

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## Background:

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- Budget 2018 expands the allowable use of municipal and regional district tax (MRDT) – known as the hotel room tax – to include affordable housing initiatives.

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- Several resort areas have identified the difficulties seasonal employees have finding housing as a serious concern.
- This will help those communities struggling with housing tourism workers more options. This will give local governments across B.C. additional flexibility to fund housing initiatives.
- Currently, 52 communities in B.C. participate in the MRDT program. That will increase to 53 effective May 1, 2018 (Cariboo-Chilcotin Coast Tourism Marketing Association was approved as a new recipient/community in January and their MRDT will take effect May 1, 2018).

# Childcare Commitments

## Highlights:

- Budget 2018 includes the largest investment ever in childcare in the province: one billion dollars over three years to provide relief to parents through fee reductions and a child care benefit, create 22,000 new licensed spaces, and train, develop and recruit more Early Childhood Educators.
- Media outlets and the opposition (including critic Laurie Throness) have suggested that this is not “10-a-Day” Childcare.

## Contrast:

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## Solution:

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# Validators:

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## Background:

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- Over the next three years, the Province will invest more than \$1 billion in cross-ministry programs and strategies to improve early care and learning in B.C.
- This includes:
  - \$979.6 million for the Ministry of Children and Family Development:
    - \$176.8 million in 2018-19
    - \$347.2 million in 2019-20
    - \$455.6 million in 2020-21
  - More than \$9.7 million for the Ministry of Education
  - Nearly \$7.4 million for the Ministry of Advanced Education, Skills and Training.
  - Nearly \$6.3 million for the Ministry of Health.
- Total: \$1,002,970 over three years
- \$630 million to make child care more affordable for up to 86,000 B.C. families, starting by offering immediate relief to parents with infants and toddlers. This will be expanded to parents with children from 3- to 5-years-old in 2019/20.
- \$237 million to fund more than 22,000 new licensed child-care spaces across the province.
- \$136 million to deliver new supports for training and development of existing Early Childhood Educators, and to recruit more ECEs.
- The provincial investment under Budget 2018 is supplemented by approximately \$153 million in federal funding over three years – beginning in 2017-18 – through a bilateral Early Learning and Child Care (ELCC) Framework Agreement.

- In total, government will invest \$263 million, including the federal funding, in the first year of government's longer-term commitment to a universal child care.

**On immediate affordability:**

- There are several supports to help with the cost of child care for low- and middle-income families in B.C.:
- The Child Care Subsidy currently supports around 20,000 B.C. families and provides full or partial subsidy for families with an income below \$55,000.
- CCS will be replaced with a new affordable child care benefit in September 2018, which will increase the amount that a family can get, and provide support for families with a household income of up to \$111,000.
- Starting from April 2018, parents with infants and toddlers will benefit from a child care fee reduction, available from licensed child-care providers who opt in to this new program. This program will be expanded to support families with children up to the age of five in the second year of the child-care plan.